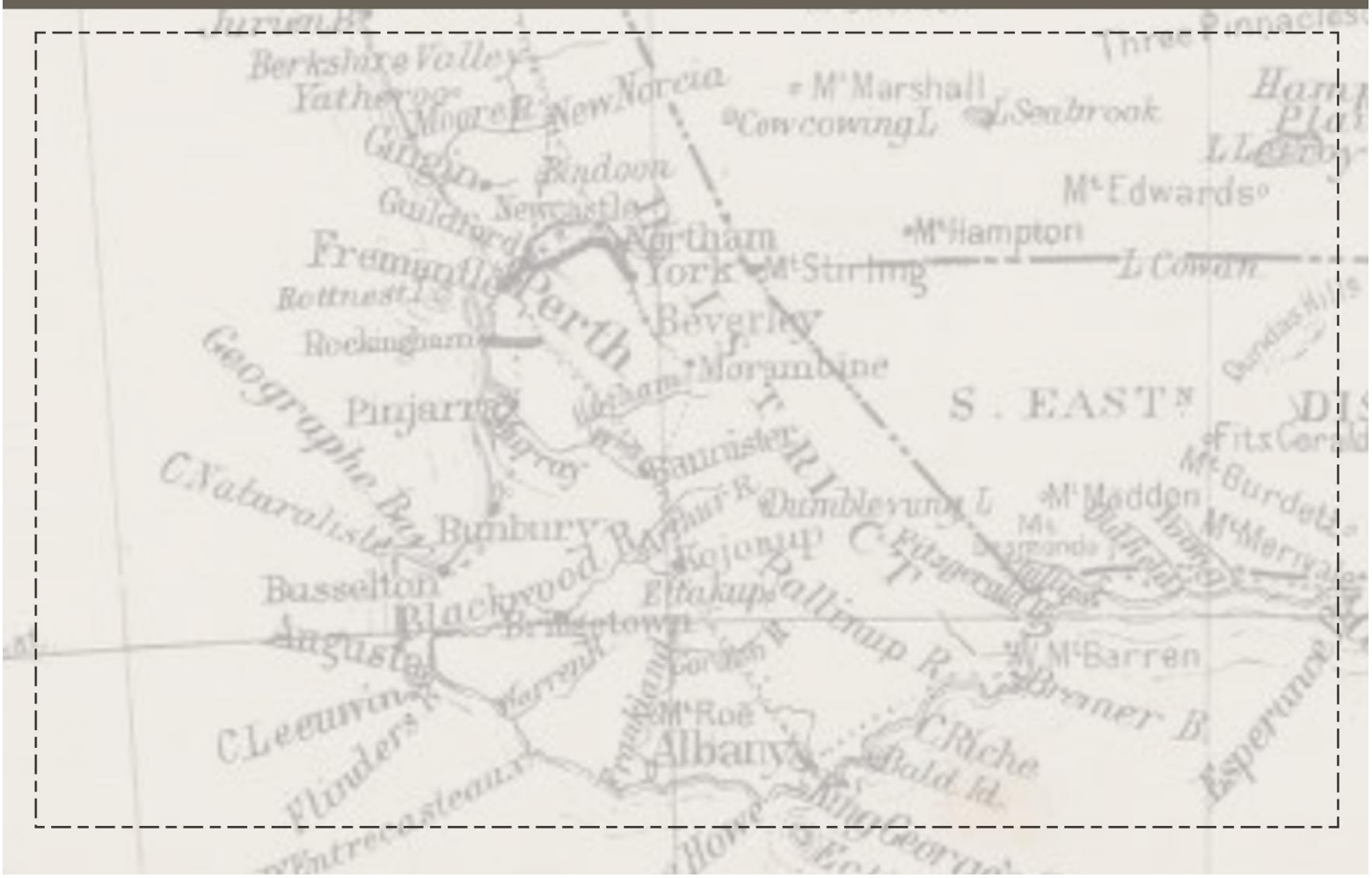
The Great Southern Buy-Back

The Colony of Western Australia and the Great Southern Railway

1880 - 1897

Master of Philosophy

Thomas William Goode



MASTER OF PHILOSOPHY

The Great Southern Buy-Back

The Colony of Western Australia and the Great Southern Railway 1880 – 1897

A thesis submitted in the partial fulfilment of a
Master of Philosophy

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DECLARATION OF AUTHORSHIP

To the best of the candidates knowledge, this thesis contains no material previously published by another person, except where due acknowledgement has been made.

This thesis is the candidate's own work and contains no material which has been accepted for the award of any other degree or diploma in any institution.

Signature T.W. Goode

Date 1 February 2021

ABSTRACT

This thesis examines the circumstances surrounding the building of the Great Southern Railway as a land-grant railway in the colony of Western Australia in the 1880s and its purchase by the government in 1896. In the early 1880s the steamship companies bringing mail and passengers from overseas and the eastern colonies, preferred Albany to Fremantle, adding an uncomfortable three to four day journey to the capital Perth. To overcome this difficulty, the government proposed to build a railway from Albany to the existing network at Beverley. This railway was to be funded by grants of land to the private company building the railway. As background to this decision, the first part of this thesis examines the way governments used the technology of railways in Europe, North America, and the eastern colonies of Australia to solve social and economic challenges.

In their desire to link Perth to Albany and expand the agricultural development of Western Australia, the colonial government offered twelve thousand acres of crown land for every mile of railway constructed from Beverley to Albany. The second part of the thesis outlines how the capital was raised, the railway built and was operational by 1889, earning the West Australian Land Company approximately three million acres of crown land.

Part three of the thesis examines the reason for the company's difficulties and the impact of self-government in 1890. Competition from the government meant the West Australian Land Company was unable to sell its land, forcing the company to seek relief from its debts. I dispute the historical interpretation that the government purchase was to rescue a failed project, arguing the price paid was competitive and the purchase motivated by philosophical and political pressure. The thesis concludes with an evaluation of the land-grant scheme and an assessment of its impact on the development of the colony.

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INTRODUCTION: THE GREAT SOUTHERN RAILWAY

The years between 1880 and 1900 were among the most constitutionally significant in Western Australian history. It was in this period that the colony won self-government from London and navigated a path to federation with the other Australian colonies. The discovery of gold, first in the Kimberley in 1885 and then on a massive scale in the eastern goldfields of Coolgardie and Kalgoorlie from 1893 to 1896, attracted worldwide attention and immigration on an unprecedented scale.[1]

In 1880, Western Australia was a large colony with a small population and largely reliant on wool as its primary export. Its leaders were convinced that the colony's future prosperity lay in the development of agriculture, and particularly in the south-west region.[2] Cheap transport of farm produce to markets was believed to be critical to the expansion of agricultural trade. For this reason the colony had already started to build the Eastern Railway, connecting Fremantle with the inland agricultural region of York. Constraints on public borrowing, imposed by Britain's Secretary of State for the Colonies, delayed the completion of the eastern line and compelled the government to seek alternative means of financing for further railway construction.

To the authorities in Britain and Western Australia, the availability of large acreages of unclaimed crown land was seen as a significant asset that might be used to fund the development of such infrastructure. There was precedent to draw upon. In the 1860s, land grants had been utilised to fund the United States' first transcontinental railway, which was followed by waves of migration and farm development. Similarly, land grants were used to fund the Canadian transcontinental railway in the 1870s. Examples such as these inspired the Western Australian government to offer a land-

[1] G.C. Bolton, *Land of vision and mirage: Western Australia since 1826* (Crawley, W.A: University of Western Australia Press, 2008), 56-60.
[2] Malcolm Fraser to the governor Sir William Robinson in Correspondence on the Subject of The Construction of Railways on the Land Grant System, 24, 4 (Perth, Western Australia: Government Printer, 1881).

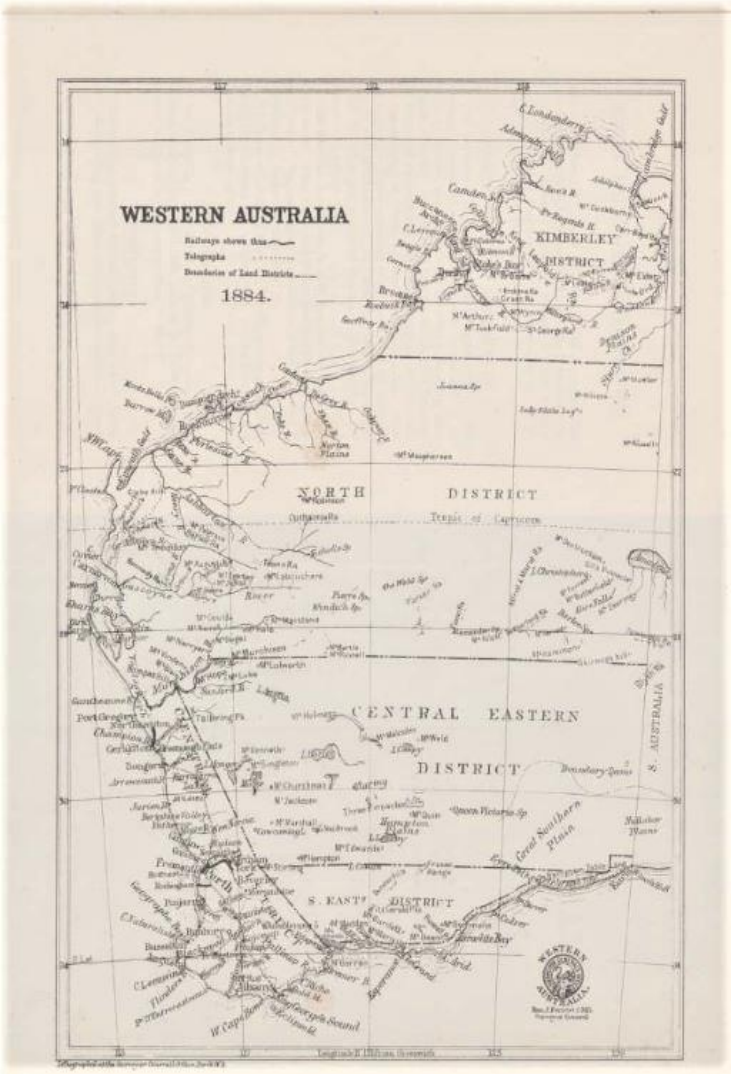

Figure 1: Map of Western Australia in 1884. Source, John Forrest, notes on Western Australia, with Statistics for the Year 1883 (Perth: Richard Pether, Government Printer, 1884), 3. http://nla.gov.au/nla.obj-365236275.

grant scheme to build a railway in the south-west region, from Beverley to Albany. Accordingly, the West Australian Land Company was established by Anthony Hordern in 1885, with the intention to fund the new railway through the sale of land grants received.

The company's construction of the Great Southern railway commenced in 1885, the same year that gold was discovered at Halls Creek, and was completed while the British parliament was debating legislation to grant self-governance to Western Australia in 1889. After this was granted in 1890, John Forrest's first government, freed from the restraint of the Colonial Office, launched a public works programme that affected all parts of the colony. Capital investment in public works, and the massive influx of gold-seekers following the Coolgardie discoveries, created turbulent social and economic conditions far different from those of 1880—and those on which the West Australian Land company's business model had been founded. The circumstances that had created the need for the land-grant system in the 1880s no longer existed after the discoveries of gold, and the government concessions that had made the railway possible now appeared too generous.

Despite the growth and prosperity brought by the discovery of gold, Forrest remained convinced that small-farm agriculture was the path to success in the development of Western Australia. Forrest implemented policies that provided

homestead blocks on easy purchase terms to owner-occupiers, and supported them financially through generous loans. As a result, the government competed directly in the sale of land with the West Australian Land Company, and the company struggled to sell its land. It was eventually forced into receivership in 1897, after which time the government purchased its assets—including the railway.

Research Problem

Western Australia's government in the 1880s believed rail would solve the transportation problems of farmers, but the colonial treasury was unable to meet the full cost of such development. It was thought that land-grant schemes modelled in Canada and the United States might resolve such problems. The colonial government, therefore, proposed the construction of railways, funded by land-grant schemes, to improve the transportation of goods, increase the accessibility of the south-west region, and grow the development of agricultural settlements. Furthermore, a rail link between Albany and Perth (via the government's rail network to York) was predicted to improve mail services and access to what was then the colony's superior port at Albany.

The Great Southern Railway appeared to successfully achieve all of the government's objectives in the land-grant scheme: it helped establish new agricultural settlements in the south-west, improved the regional transportation of agricultural goods, and increased the speed with which people and mail were transferred from Albany to Perth. And yet…the railway was sold to the colonial government in 1896, its business seeming to have failed.

This is the conundrum that I consider in this thesis. It is my intent to determine whether the Great Southern Railway was a failed project, and why—having gone to such pains to procure private investment in the rail network—the government found it necessary to buy the railway in 1896.

It is not the first time that the apparent failure of the West Australian Land Company and its railway have been investigated. Amongst the earliest of research is that of Professor Stephen Roberts who, in 1924, identified the Beverley to Albany railway as a rare example of a successful land-grant railway, but then dismissed its

effect as “inexpedient”. In Robert’s opinion, the government had been “forced to purchase” the Great Southern Railway and associated land because the company “could not dispose of its lands and failed in its immigration schemes”.[3] Many years later, in 1979, Geoff Cartner completed an Honours thesis at the University of Western Australia, in which he argued that at the heart of the company's difficulties was the rivalry between Fremantle and Albany. He argued that commercial interests in Fremantle dominated the planning of the Legislative Council, though Albany was the better port. Cartner also emphasised that the West Australian Land Company could not compete with the generous conditions of state-sponsored settlement schemes after 1890.[4] More recently, in 2002, Matthew Tonts argued that the railway could be understood as a failure in the context of the colony’s agricultural policies and development. Tonts identified the death of Anthony Hordern in 1886, and the management of the West Australian Land Company by “absentee investors,” as reasons for the failure of the settlement scheme.[5]

[3] Stephen H. Roberts, *History of Australian Land Settlement, 1788-1920* (London: Frank Cass, 1924), 402.
[4] Geoff Cartner, "The Great Southern Railway" (B.A. (Honours) Honours dissertian, University of Western Australia, 1979), 49.
[5] Matthew Tonts, "State Policy and the Yeoman Ideal: Agricultural development in Western Australia, 1890-1914," *Landscape Research* 27, no. 1 (2002): 106, https://doi.org/10.1080/01426390220110793.

Research Aims

While these arguments are persuasive, they focus particularly on the performance of the West Australian Land Company. My research shifts the scholarly discourse to the government's intervention when it bought the company in 1896. Its acquisition cost the colony more than one million pounds, suggesting that the government concluded the railway was too valuable to be left to fail.[6] I will, therefore, investigate the factors and circumstances that led the Western Australian government to purchase the assets of the West Australian Land Company. I aim to:

- investigate the Australian and international contexts in which the decision was made by the Western Australian government to fund the Great Southern Railway by land grants, and identify the government's key objectives in the venture;
- examine the rollout and operations of the Great Southern Railway, including the establishment of its parent company, its relationship with government, and its impact on agricultural development of the south-west; and
- analyse the political, economic and other circumstances of the 1890s that led to the government's purchase of the Great Southern Railway and its land holdings; in order to
- determine whether, ultimately, the land-grant scheme was a successful means to achieve the government's objectives for the expansion of rail in the colony.

Structure and Method

In Chapter One, I investigate the international and Australian precedents for land-grant schemes in the building of railways, to address the first of these aims. The construction of railways in North America using a land-grant scheme is well documented and has

[6] In December 1896 it was announced that the government had agreed to purchase the Great Southern Railway and assets of the WA Land Company for £1,100,000. See *Kalgoorlie Miner* (Kalgoorlie, Western Australia) 29 December 1896, 2.

been the subject of much scholarly examination. In addition to making use of scholarly and other literatures regarding the North American schemes, I also establish a timeline, compiled from newspaper reports of the period, to determine the information available to the Western Australian government when it introduced its own scheme. Records of parliamentary proceedings and documents recorded in the Votes and Proceedings archives provide insight into the government's own perspective and help identify the colony's principal objectives in such a scheme.

Chapter Two achieves the second of my research aims, which is to examine the roll out of the railway. In the absence of company records, I have relied on the regular newspaper updates that were then published to trace construction, from the signing of the contract to its completion. Other historical sources in the State Library of Western Australia and in private collections, such as diaries, local history records, and unpublished family histories, have been most useful in accounting for the construction of the railway, and the experiences of its communities. As far as the records permit, the construction of the railway was examined to determine if any engineering, political or operational aspects may have caused problems for the company.

To answer the questions posed by my third aim, it was necessary, for clarity, to deal with two issues as separate threads. Chapter Three therefore focusses, first, on the company's finances and its descent into receivership. The picture that emerges is that of an asset-rich company struggling with liquidity. Newspaper reports provide the substance for this section. Secondly, I examine Forrest's role in promoting competing land sales, and attempt to provide reasons for the generous price paid by the government when it purchased the railway. Historical records of the British press provide valuable information on the company's finances and also on opinions of Forrest's competitive attitude towards the private ownership of infrastructure. The existence of a credible competitor for the company's assets was revealed in copies of telegrams held by the State Records Office of Western Australia that were sent between Forrest and the retiring governor, Sir William Robinson.

Finally, it was relatively simple to determine whether the government's land-grant scheme was successful, which I discuss in the conclusion of this thesis. The Great Southern Railway was built using an unusual method of funding, and was

resorted to by a government desperate for infrastructure but without the funds to build it. In 1881, to encourage private investment, the government offered grants of land, not as payment but as incentives, to construct and operate a railway between Beverley and Albany. Though the company failed within eight years of operation, it cannot be said that the government's objectives failed—which I establish in the final pages of this work.

A number of sources demonstrate the value of the railway to the colony, even as the company failed. The absence of surviving company records has hampered my investigation somewhat, though major events in the company were reported by the press. Official records—such as correspondence between Robinson and Malcolm Fraser, his colonial secretary—help us establish the government's aims in the scheme, while other records help us measure the outcomes in relation to population growth and the movement of agricultural goods.

Literature Review

The idea of a land-grant railway arose from a belief in the intrinsic desirability of land. In the nineteenth century, rail transport was viewed as an essential tool for the development of an agrarian society. A railway, however, was an industrial enterprise that added much more than transportation to an economy. The themes of land, development and railways form the structure of this literature review. The history of the initial settlement of Western Australia is also included in this review, because it was here that the dream of a small farm society and the use of land as a replacement for money was introduced.

The Lure of Land

The vastness of Western Australia with an area of a million square miles was incomprehensible to many Britons, but the association between land and wealth was not. The prospect of owning land was a powerful motivator to immigrants from the days of the first British settlement. In turn, the enticement of land ownership became a regular strategy of colonial governments as they searched for demographic and economic growth. Planners overlooked the nature of the country and the way it had

determined Western Australia's history, both before and after European settlement. Such mistakes were often disastrous. Stirling's misreading of the fertility of the coastal plains surrounding the Swan River caused much of the initial difficulties of the early settlers.[7]

The isolation of Australia and the struggles of its initial settlements on the east coast were emphasised by Geoffrey Blainey in his landmark work, *The Tyranny of Distance*.[8] In 1829 the Swan River colony faced similar problems arising from its isolation—mitigated only slightly by being closer to England. No easy land path into the colony existed in the nineteenth century, and the country hid its potential even to European explorers behind a coastal belt of sandy, unattractive soil. Joseph Gentilli in his *Western Landscapes* provided a map which shows the climatic characteristics of Western Australia.[9] Much of the developed agricultural land lies in climatic zones of uncertain rainfall, so it is not surprising to find that drought regularly featured in the colony's history. The map also emphasises the size of the state and the distances involved.

Reasons for the establishment of the Swan River colony are often contested. In one of the earliest attempts at establishing a historical record, Battye argued that the British Government had only one reason for the establishment of the Swan River colony: "the only reason for colonisation was the fear of French Annexation".[10] It is an argument often since repeated. Gentilli mentioned a fear of a French settlement as the reason for the initial settlement at King Georges Sound in 1826,[11] while, in recent literature, Tony Snow references the francophobe concerns of Lord Bathurst (Secretary of State for War and Colonies) in his discussion of Western Australia's

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[7] Pamela Statham, "Swan River Colony 1829-1850," in *A New History of Western Australia*, ed. Charles Thomas Stannage (Nedlands, Western Australia: University of Western Australia Press, 1981), 182.According to Stirling, the region "had all the necessary attributes of a successful agricultural colony".
[8] Geoffrey Blainey, *The Tyranny of Distance: How Distance Shaped Australia's history*, illustrated ed. (Sydney: Macmillan, 1975).
[9] J. Gentilli, *Western Landscapes*, ed. E. Hinchliffe, 14 vols., Sesquicentenary Celebrations Series, (Nedlands, Western Australia: University of Western Australia Press, 1979), 8.
[10] James Sykes Battye, *Western Australia: A History from its Discovery to the Inauguration of the Commonwealth*, Facsimile ed. (Oxford, England: Clarendon Press, 1978), 73.
[11] Frederick Watson, Peter Chapman, and Australia Parliament Library Committee, *Historical Records of Australia Series 3*, ed. Frederick Watson, 33 vols., vol. 6, Historical Records of Australia, (Sydney: Library Committee of the Commonwealth Parliament, 1914), 604.

borders,[12] and Noelene Bloomfield provides an overview of French interest in Australia, noting the French claim for the western part of the continent by Louis de Sainte-Alouran in 1772.[13] Yet fear of the French does not explain the enthusiastic response of prospective immigrants to acquire land in the new colony. Crowley linked this to the poor conditions and limited prospects in post-Napoleonic England prompting, "the willingness of emigrants to pioneer an unknown land in the Antipodes at their own risk".[14] Pamela Statham has claimed that "the role played by Stirling was of paramount importance", emphasising the way Stirling promoted the idea.[15] Whatever the reason, the enthusiasts were allowed to have their way, and the colony was launched with much fanfare, minimum preparation and a stern injunction not to cost the British Government any money.[16] The lack of an experienced land-survey team was a critical oversight.

Statham enumerated the aims of the Conditions of Settlement issued by the British government in early 1829 as being: "(1) To minimise government expenditure; (2) attract private investors and (3) ensure that the land granted was productively utilised" and then identifies the most significant defect in the way these conditions created "a framework in which the need for money-capital was overlooked". She argued that "Swan River was the first British colony in Australia founded exclusively for private settlement, and the only one to be founded on the basis of a land-grant system", and then concluded that "all that the conditions really offered intending colonists was the promise of eventual land ownership."[17] A land-grant system suited Britain's desire to avoid expenditure in the new colony. It established the expectation that Swan River would fund its needs by either the sale of land or through direct land grants. Thus, Statham wrote, the asset-rich, money-poor, economy was set, which comfortably returned to land grants as a means to raise money for capital expenditure. Subsequent experience suggested that the Secretary of State for the Colonies

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[12] T. Snow et al., "The Western Australian border, where is it today?," *Journal of Spatial Science* 59, no. 2 (2014): 351, https://doi.org/10.1080/14498596.2014.880957.
[13] Noelene Bloomfield, "Overview France's Quest for Terra Australis: Strategies, Maladies and Triumphs," *The Great Circle* 39, no. 2 (2017): 12, http://www.jstor.org.ipacez.nd.edu.au/stable/26381271.
[14] F.K. Crowley, *Australia's western third: a history of Western Australia from the first settlements to modern times* (London;New York;: Macmillan, 1960), 6.
[15] Statham, "Swan River Colony 1829-1850," 182.
[16] Watson, Chapman, and Committee, *Historical Records of Australia Series 3*, 6, 594.
[17] For a more detailed examination of the economic impacts of "Conditions of Settlement" see Statham, "Swan River Colony 1829-1850," 183-84.

received more comfort from this arrangement than the colony that struggled to grow its economy.

The promise of land ownership took the form of grants based solely on their size, but land grants not fixed by survey gave rise to a form of speculation. As Hazel Udell identified in a history of Gingin, “It was the practice of these early settlers to abandon land they had laid claim to, as they found new areas they considered more promising for farming or grazing.”[18] She demonstrated that one parcel of land near Gingin was claimed and relinquished twice before any attempt was made to make the land productive. Lack of knowledge hampered official attempts to regulate land use and hence generate revenue.

A desirable item has value and can be exchanged for goods and services. The principle of land-grant funding relies on converting this desire for land into a negotiable form, of which cash is the most used. The British government offered Western Australian land grants in 1828 at the rate of 40 acres for every £3 invested in the colony, which indicates a price of 1 shilling and sixpence an acre.[19] The early historian, Battye, suggested the scheme encouraged prospective settlers to overspend on equipment in order to increase the size of their grants. In 1831 the British government determined that the colony should support itself, in part, by generating revenue by selling crown land at a minimum price of not less than 5 shillings per acre.[20] By 1887 the price had risen to be “not less than 10s per acre, payable in twenty annual instalments of 6d per acre”.[21] The value of wool encouraged farmers to become pastoralists, with shepherds roaming considerable distances from the home station in search of pasture. Roberts described the problems associated with the valuing and control of land, in the intermediate period, and how the colony struggled with competing claims from squatters, pastoralists and farmers.[22] As A.H. Amoore, in his unpublished history of the Midland Railway Company demonstrated, the desire for land varied with consequences for land-grant schemes. “Thus, the inability to sell its

[18] Hazel Udell, *A History of Gingin: 1830 to 1960* (Gingin, Western Australia: Shire of Gingin, 1979), 5.
[19] Watson, Chapman, and Committee, *Historical Records of Australia Series 3*, 6, 594.
[20] Battye, *Western Australia: A History from its Discovery to the Inauguration of the Commonwealth*, 108.
[21] Battye, *Western Australia: A History from its Discovery to the Inauguration of the Commonwealth*, 338.
[22] Roberts, *History of Australian Land Settlement, 1788-1920*.

subsidy land in these early years caused the Company grave financial difficulties involving the stoppage of all construction work on the line."[23]

Developing Western Australia and the ideologies of development

As Lenore Layman wrote in the Oxford Companion to Australian History,

> Development, the exploitation of resources to achieve economic growth and population-building, acquired heightened meaning in the second half of the nineteenth century as new colonial governments became responsible for ensuring the economic and social progress of the colonies and the prosperity of colonists.[24]

Advancing the idea that ideologies behind development can be called developmentalism, Layman surveyed the history of developmental ideas over the long term of Australia history, pointing out that governments in both the nineteenth and twentieth centuries promised to "put the small man on the land".[25] The proposal put by Thomas Peel's syndicate to the British government in 1827, for example, planned for migration of 10,000 persons to Western Australia with the aim to cultivate "cotton, sugar, flax, and various drugs for which the climate was suited".[26] Thus, the agrarian nature of the colony was established early, though none of Peel's crops appear to have been farmed by early arrivals.

Statham wrote that "Despite available information concerning the profitability of sheep raising in New South Wales, the majority of initial settlers chose arable farming, with emphasis on wheat cultivation, as their future income-producing activity" hence, she argued, wheat-growing became the official focus of the colony's development and

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[23] A. H. Amoore, The Midland Railway Company of Western Australia Limited, 31 May 1964, Unpublished manuscript, State Library of WA.
[24] Graeme Davison, J. B. Hirst, and Stuart Macintyre, *The Oxford companion to Australian history*, Rev. ed. (New York;South Melbourne;: Oxford University Press, 2001), 185.
[25] Davison, Hirst, and Macintyre, *The Oxford companion to Australian history*, 186.
[26] Horses for India and salt beef for shipping were also mentioned.Watson, Chapman, and Committee, *Historical Records of Australia Series 3*, 6, 589.

farmer's difficulties, the reasons for its slow progress.[27] Battye argued that slow growth in the area of land under crop from 1839 to 1842 was "partly due to the difficulty of securing labour".[28] The other reason he gave was the better results available from sheep farming. Forrest, writing in an official publication promoting the colony, attributed the slow development of agriculture to the many other opportunities available to the small population.[29] To the shortage of labour, Roy Lourens, writing in 1979 added inadequate markets and high transport costs and then condenses all the reasons for the slow growth of the colony into "But the main problem was simply the inadequate level of profits which the colony offered to its settlers."[30] Lourens argued that without the prospect of a reasonably quick and substantive return on investment, investors and potential settlers bypassed the colony.

The dream of the earliest settlers was to transplant a rural England, complete with yeomen farmers, to the new Swan River colony. As a developmental ideology guiding public policy, the dream persisted into the twentieth century. In discussing public policy of the 1890s, Tonts noted that "the state not only regarded itself as the promoter of economic development but also of a desired cultural landscape and social class".[31] One consequence was the relatively small allocation of land offered to prospective migrants. The social desire to replicate the bold yeomanry of England eventually was to conflict with the economic demands of broad-acre farming.

Despite the difficulties and disappointments, the agrarian ideal persisted and when railways were proposed in the 1880s, extending the agricultural region was always part of the aim.[32] The rainfall and soil information in Gentilli's *Western Landscapes* helps explain the stuttering nature of the colony's progress.[33] Sole reliance on cropping left the farmer at the mercy of the sometimes uncertain rainfall.

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[27] Statham, "Swan River Colony 1829-1850," 185. See also the following paragraph for a summary of the causes of the early difficulties.
[28] Battye, *Western Australia: A History from its Discovery to the Inauguration of the Commonwealth*, 164.
[29] John Forrest, *Notes on Western Australia, with statistics for the year 1883* (Perth: Richard Pether, Govt, Printer, 1884), 5. http://nla.gov.au/nla.obj-365236275.
[30] Roy Lourens, "The History of Commerce and Industry in Western Australia:1829-1901," in *The History of Commerce and Industry in Western Australia:*, ed. Peter Firkins, Sesquicenterary Celebrations Series (Nedlands, Western Australia: University of Western Australia Press for the Education Committee of the 150th Anniversaru Celebrations 1979), 1.
[31] Tonts, "State Policy and the Yeoman Ideal: Agricultural development in Western Australia, 1890-1914."
[32] See Tonts, "State Policy and the Yeoman Ideal: Agricultural development in Western Australia, 1890-1914." The land grant railways were realisations of this policy.
[33] Gentilli, *Western Landscapes*.

James Cameron, writing in the same volume, pointed to the success of mixed farming with income streams from both wool and wheat.[34] As Sean Glynn suggested, the partnership of railways and agricultural development persisted as government policy until well after federation, despite various land settlement schemes being only partially successful.[35] The late 1960s probably represents the end of agriculture's reign as the developmental dream for Western Australia. As Layman wrote in her paper on developmental ideology, by the mid-1960s, government attitudes were turning towards industrial development by external capital as the way to grow the state.[36]

In the development of the colony of Western Australia, the argument has been advanced that Stirling was in error in choosing the Swan River as the site for the first settlement and that Albany, where a fine harbour and military outpost already existed, would have been better. A fine harbour and a cool Mediterranean climate were not sufficient to compensate for a hinterland characterised by poor soil and prevalence of poisonous plants. Albany's economic activity focussed on the harbour and suffered from the whims of the shipping companies. Not everyone suffered from the infertile hinterland as Murray Arnold identified in his study of the Aboriginal people of Albany and the surrounding district. Arnold suggests that the relatively slower pace of European settlement of the hinterland did not present the same difficulties for the Aboriginal people as happened elsewhere. Arnold points to the railway and the agricultural settlement that followed as having a negative influence on their way of life.[37]

Railways: The Bridesmaids in Western Australian History

[34] J.M.R. Cameron, "Patterns on the Land, 1829-1850," in *Western Landscapes*, ed. J. Gentilli, Sesquicentenary Celebrations Series (Nedlands W A: University of Western Australia Press, 1979), 214. See Fig 8-4 Pastoral expansion, 1841-1848. Cameron's map of pastoral expansion raises the interesting possibility that the land grant railways followed the footsteps of the pastoralists.
[35] S. Glynn, "The Transport Factor in Developmental Policy: Pioneer Agricultural Railways in the Western Australian Wheat Belt, 1900-1930," *Australian Journal of Politics & History* 15, no. 2 (1969), https://doi.org/10.1111/j.1467-8497.1969.tb00948.x.
[36] Lenore Layman, "Development ideology in Western Australia, 1933-1965," in *Historical Studies* (1982).
[37] Murray Arnold, *A journey travelled : Aboriginal-European relations at Albany and the surrounding region from first contact to 1926* (Crawley, Western Australia: UWA Publishing, 2015, 2015).

Railways are often overlooked in Australian histories, which P.N. Lamb noted as early as the 1970s. “Even historians need reminding,” he wrote,

> that railways spread remarkably rapidly across the earth’s surface in the second half of the nineteenth century and in the first quarter of the twentieth…. There has been a pronounced tendency to leave railways out of Australian history, or at best to regard them as of peripheral interest in the development of major historical themes.[38]

More recently, Jean-Paul Rodrigue reminded us of the ‘invisibility’ of transport, suggesting in 2006 that its very efficiency meant its significance often escaped our notice.[39] This is largely true of Western Australia’s earliest historians, who wrote what can now be considered celebrations of developmentalism. Kimberly, in his *History of Western Australia*, acknowledged the debate leading to the approval of the two land-grant railways, but the gold rushes and prominent persons are the focus of his history. [40] So did Battye, focusing instead on the relationship between British authorities and local interests in the transition to responsible government.[41] By the time Colebatch was writing in 1929, railways were common-place and he turned his attention to emerging road and air transport.[42]

Nonetheless, railways have held their position in our culture and historians of more recent decades have occasionally considered their social, economic and other impacts. The most notable historian of transport and technology, of course, is Geoffrey Blainey. In his landmark *Tyranny of Distance* he focussed on the anomalies in Australia’s railways, especially the gauge changes, emphasising their weaknesses rather than their strengths. Distance to Blainey was the remoteness of Sydney and

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[38] P.N. Lamb, "Historians and Australian railways," *Australian Journal of Politics & History* 18, no. 2 (1972), https://doi.org/10.1111/j.1467-8497.1972.tb00594.x.
[39] Jean-Paul Rodrigue, Claude Comtois, and Brian Slack, *The Geography of Transport Systems* (Routledge, 2006), 4.
[40] Warren Bert Kimberly, *History of West Australia : a narrative of her past together with biographies of her leading men / compiled by W.B. Kimberly* (1897).
[41] Battye, *Western Australia: A History from its Discovery to the Inauguration of the Commonwealth*.
[42] Sir Hal Colebatch, *A story of a hundred years; Western Australia, 1829-1929* (Perth, Western Australia: Government Printer, 1929).

Melbourne from London, not the distance of Canberra from Perth. The different gauges, adopted by various Australian colonial governments, have received more attention in recent works.[43] In 2010 John Mills addressed the origin of the multi-gauge problem, attributing responsibility to Governor La Trobe of Victoria.[44] Scott Martin, in 2018, narrated the long and expensive process by which Australia eventually linked its capital cities with standard gauge rail.[45] From an economic aspect, Garry Wotherspoon examined the development of railways in New South Wales,[46] while Lyndon Megarrity reviewed the failure of private railways in Queensland .[47] Megarrity places considerable emphasis on the personal and political imperatives that determined the government's encouragement of private railway construction in Queensland. While acknowledging that pressure from local interests was important, Wotherspoon argued that the need to ensure that NSW trade passed through NSW ports was the critical factor in the construction of a wide-ranging state railway network. Ian Gray takes a more national view when writing about how railway development, except for Queensland, became focussed on state capitals.[48] In Western Australia, Philippa Rogers' history of the Midland Railway Company provides anecdotes and images that reveals the impact of this railway beyond its economic role.[49] Rogers demonstrates the value of work by local historians and provides a contrast to the approach to railways adopted by Blainey.

Trained staff were often recruited to Australia from British railway companies, ensuring British practices were adopted by Australian systems. Management and workers did not always work harmoniously together, and industrial relations has attracted the attention of a number of historians. Bobbie Oliver's most recent book, *A*

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[43] Blainey, *The Tyranny of Distance: How Distance Shaped Australia's history*.
[44] John Mills, "Australia's mixed gauge railway system: a reassessment of its origins," *Journal of the Royal Australian Historical Society* 96, no. 1 (2010).
[45] Scott Martin, "'At all events on the through lines': The century-long journey to Australia's rail gauge unification," *Journal of the Royal Australian Historical Society* 104, no. 1 (2018).
[46] Garry Wotherspoon, "The Determinants of the Pattern and Pace of Railway Development in New South Wales, 1850-1914," *Australian Journal of Politics & History* 25, no. 1 (1979), https://doi.org/10.1111/j.1467-8497.1979.tb00271.x.
[47] Lyndon Megarrity, "'Don't you think they know their business best?': the failure of private railway companies in late colonial Queensland," *Journal of Australian Colonial History* 2, no. 2 (2000).
[48] Ian Gray, "Maintaining the Power of Central Governments: Regional Land Transport in the Australian Federation, 1850–2007," *The Journal of Transport History* 30, no. 1 (2009), https://doi.org/10.7227/TJTH.30.1.4.
[49] Philippa Rogers, *Memories of the Midland Railway Co. of Western Australia* (Bassendean, WA: Rail Heritage WA, 2014).

Natural Battleground: The fight to establish a rail heritage centre at Western Australia's Midland Railway Workshops links her continuing interest in industrial relations with railways,[50] as does her earlier work, *The Australian Standard Garratt: The Engine that Brought down a Government*.[51] Oliver's work follows a long tradition of telling labour history through the context of industrial disputes on the railways, Viv Daddow's *Puffing Pioneers and Queensland's Railway Builders* published in 1975 being an earlier example.[52]

Today, historians are increasingly linking rail—as a form of science and technology—to urgent enquiries of environment and climate. As some, such as Andrea Gaynor and Katie Holmes,[53] explain the human impact of industrialised land use in the nineteenth and twentieth century, others, such as André Brett and Rebecca Jones, look specifically to the environmental impact of railways in Australia and New Zealand. In 2017, Jones considered the relationship of stock movement, agricultural expansion and railways in her study of drought.[54] In work published in 2020 and which remains ongoing, Brett connects water consumption to rail in developing Australian societies. As colonial railways matured, he writes, they became one of Australia's largest employers and offered the most effective means of land transport:

> Thus, they became central to the colonial project: railways facilitated wider and deeper settlement of the inland, and they were crucial to trade, linking producers with domestic markets and export harbours. The privations of World War I and the rise of motorised road transport changed the character of railway history. Almost every railway in Australasia was state-owned and governments invested in them heavily, so their operation became embedded within environments and in official

[50] Bobbie Oliver, *A Natural Battleground: The fight to establisha rail heritage centre at Western Australia's Midland Railway Workshops*, ed. Alexis Vassiley, Red Swan, (Carlton, Victoria: Interventions Inc., 2019).
[51] Bobbie Oliver, "The Australian Standard Garratt: The Engine That Brought down a Government," *The Journal of Transport History* 33, no. 1 (2012), https://doi.org/10.7227/TJTH.33.1.3.
[52] Viv Daddow, *The Puffing Pioneers and Queensland's Railway Builders* (St Lucia, Queensland: University of Queensland Press, 1975).
[53] See, for example, Katie Holmes, Andrea Gaynor & Ruth Morgan (2020) Doing environmental history in urgent times, *History Australia*, 17:2, 230-251, DOI: 10.1080/14490854.2020.1758579.
[54] Rebecca Jones, *Slow Catastrophes: Living with Drought in Australia* (Clayton: Monash University Press, 2017), 88-96. ProQuest Ebook Central.

> responses to climatic extremes. The significant network expansion from the 1870s to 1914 brought into sharp relief questions about water use and watercourse modification.[55]

Historical societies and museums, particularly those with specific interests, often promote the publication of journals and books of a specialist nature relevant to their topic. *Robb's Railway* is a short history of the Fremantle to Guildford railway, providing insights into the origins of the railway and the factors affecting the choice of route.[56] Although not authenticated with references, these documents provide useful summaries for researchers. Similarly, the Australian Railway Historical Society published *One Hundred Years of Railways in Western Australia 1871-1971*,[57] while Rail Heritage WA has been responsible for publishing several special-interest books, such as *Stationmasters of Western Australia* by Jeff Austin.[58] They also provide a sales outlet for other books on local railways such as Lindsay Watson's *The Railway History of Midland Junction* [59] and Maurice Southcombe's *Steam in the Forests.*[60] This field of railway literature is steadily growing and is a fertile source for the historical researcher. However, none of these articles, essays or books provide a study of the relationship between government and land-grant railways, which is the focus of my research.

Railway Economics

Nineteenth-century rail economics were notably different from country to country, and were shaped by local geographical and demographic conditions. In Britain, distance considerably shaped the economic performance of rail, as many companies operated

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[55] André Brett, ""The exceptional circumstances under which we are working': railways and water in Australasia, 1870s to 1914," *History Australia* 17, no. 3 (2020), https://doi.org/10.1080/14490854.2020.1796496.
[56] R.S. Minchin and G.J. Higham, *Robb's Railway: Fremantle to Guildford railway centenary, 1881-1981*, (Bassendean, W A: 1981).
[57] G.J. Higham, *One Hundred Years of Railways in Western Australia; 1871-1971* (Bayswater, Western Australia: Australian Railway Historical Society, 1971).
[58] Jefffrey Malcolm Austin, *Station Masters of Western Australia* (Bassendean, Western Australia: Rail Heritgage WA, 2011).
[59] Lindsay Watson, *The Railway History of Midland Junction* (Swan View, Western Australia: Shire of Swan and the Western Australian Light Railway Preservation Society, 1995).
[60] M.R.H. Southcombe, *Steam in the Forests* (Carlisle, W A: Hesperian Press, 2006).

very short services. Between 1845 and 1852, the average length of rail for 90 per cent of British companies was only 11.9 miles. Just four companies operated services over 50 miles.[61] This led to much corporate activity in the following decades as the major lines sought to take over feeder lines in order to capture regional traffic. But the economic impact of rail went well beyond the operating costs of each business.

Christine Hallas's study of the Wensleydale Railway is a rare example from the UK of the impact of a railway on a rural community that has some parallels with the Western Australian experience.[62] In 1871, Wensleydale was a rural community in Yorkshire with access to the outside world limited by poor roads, which were largely impassable in winter. In its early years, the railway provided employment for construction, facilitated the movement of livestock, and enabled farmers to find markets for their products. In the longer term, it contributed to the growth of secondary industries such as tourism: cyclists and walkers could now more easily access the area, while district residents could now travel further to shows and markets and holiday in places previously beyond their reach. However, the railway also made it easier for people to leave the area. As a result, the population of the district declined as it "opened up the dale to the mainstream influences of Victorian England".[63] My research shows similar benefits flowed to the community from the construction of the land-grant railways and improved access to markets. Unlike Wensleydale, the new railways in Western Australia, by replacing pastoral activities with agriculture, led to an increase in population. And, as Brett has established, railways were important in developing the water-supply infrastructure in country regions.[64]

Proposals for new railways invariably focused on predicted transport benefits, with any effect on population assumed to be a product of the better communications. The direct relationship between a railway service and population growth has been explored by researchers Konstantin Buchel and Stephan Kyburz who studied Switzerland's railway expansion in the nineteenth century and found that the

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[61] Henry Grote Lewin, *The Railway Mania and Its Aftermath, 1845-1852*, Revised edition ed. (Newton Abbot: David & Charles, 1968, 1936), 4,5.
[62] Christine Hallas, "The Social and Economic Impact of a Rural Railway: The Wensleydale Line," *The Agricultural History Review* 34, no. 1 (1986).
[63] Hallas, "The Social and Economic Impact of a Rural Railway: The Wensleydale Line," 43.
[64] Brett, "'The exceptional circumstances under which we are working': railways and water in Australasia, 1870s to 1914."

populations of municipalities with access to railways grew faster than those nearby municipalities without railway access.[65] As railways extended through a district, permanent railway employees were added to the local population. Frank Andrews, in a study of railway employment in East Kent, identifies a pattern in the type and number of staff employed on a railway in 1881.[66] This organisational structure of workshops, station staff, train staff and permanent way staff, could be found across all railways, modified as necessary by local circumstances. According to the 1891 census, in the United Kingdom, railways employed 12.23 staff for every mile open.[67] Railways were manpower-intensive industrial organisations, which provided continuous employment unlike the seasonal nature of agriculture.

As railways extended, the time taken to travel to the nearest city-centre diminished rapidly. Life in the country was less isolated, and with more farms, population densities grew. Railways added to regional growth by increasing employment and providing an additional cultural element to the society. In a paper written in 2000, Ian Gray discusses how farming and railway employment were two sides of the employment coin in rural communities.[68] Both Atherley and Tonts provide aspects of the social life in rural towns with an emphasis on sport.[69] A “railways” team was a common feature of the larger country towns.

While Western Australians looked instinctively to Britain for technical experience and advice on railways, public policy in the United States demonstrated an alternative method was available to promote long-distance railway construction. There, as Roger Launius notes, companies were granted land in proportion to the

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[65] Konstantin Büchel and Stephan Kyburz, "Fast track to growth? Railway access, population growth and local displacement in 19th century Switzerland," *Journal of economic geography* 20, no. 1 (2020), https://doi.org/10.1093/jeg/lby046.
[66] Frank W.G. Andrews, "Employment on the railways in east Kent, 1841-1914," Research, *Journal of Transport History* 21, no. 1 (2000): 58,59, https://doi.org/https://doi.org/10.7227/TJTH.21.1.4.
[67] B.R. Mitchell and P. Deane, *Abstract of British Historical Statistics* (Cambridge, 1962), p 60 quoted in Andrews, "Employment on the railways in east Kent, 1841-1914."
[68] Ian Gray, "The Contrasting Traditions of Farming and Railway Work in Australian Rural Communities," *Rural Society* 10, no. 3 (2000), https://doi.org/10.5172/rsj.10.3.329.
[69] Kim M. Atherley, "Sport, Localism and Social Capital in Rural Western Australia," *Geographical Research* 44, no. 4 (2006), https://doi.org/10.1111/j.1745-5871.2006.00406.x; Matthew Tonts and Kim Atherley, "Competitive sport and the construction of place identity in rural Australia," *Sport in Society* 13, no. 3 (2010), https://doi.org/10.1080/17430431003587947.

mileage of railway built.[70] Land grants represented a direct gift of a public asset to a private company, and Sean Kammer highlights some of the iniquities that arose in the American system, noting that the land-grant practice ceased in the United States in 1871, twelve years before Western Australia implemented a similar system.[71]

Bradley Bowden compares the way railway development shaped the society of towns in Queensland with similar experiences in the United States.[72] He classifies towns as either “Mercantile” or “Railway” depending on the main form of employment and their attitude to organised labour. He concludes by identifying all towns created by the expanding railway network in Queensland as mercantile, pointing to the geography of Queensland which dictated a series of separated east-west lines as the reason why railway workers remained a minority in the towns. In Western Australia, Midland Junction was for many years a railway town. As the junction of the privately owned Midland Railway Company with the Eastern Railway, the town was created by the private company as the location for its main workshops in 1886.[73] In 1904 the Western Australian Government Railways moved its workshops from Fremantle to Midland confirming its role as a railway town. Oliver has documented much of the social and industrial history of the government workshops and their contribution to the state’s economy.[74]

Chapter Summary

Overshadowed somewhat by the change of governance in 1890 and the gold rushes that followed, the Great Southern Railway played a significant role in the development of Western Australia. In 1880 the Western Australian government believed that the way to growth and development was through agriculture, particularly through the

[70] Roger D. Launius, "The Railroads and the Space Program Revisited: Historical Analogues and the Stimulation of Commercial Space Operations," *Astropolitics* 12, no. 2-3 (2014), https://doi.org/10.1080/14777622.2014.964129.
[71] Sean M. Kammer, "Railroad land grants in an incongruous legal system: corporate subsidies, bureaucratic governance, and legal conflict in the United States, 1850-1903," *Law and History Review* 35, no. 2 (2017), https://doi.org/10.1017/S0738248017000049.
[72] Bradley Bowden, "Perverse Transformation: Railway Development and the Shaping of Queensland Society, 1880–1901," *Labour History*, no. 109 (2015), https://doi.org/10.5263/labourhistory.109.0001.
[73] Amoore, The Midland Railway Company of Western Australia Limited.
[74] Oliver, *A Natural Battleground: The fight to establisha rail heritage centre at Western Australia's Midland Railway Workshops*.

expansion of small-farm settlements. Railways that linked agricultural areas to ports and towns were seen as a way to overcome barriers to continued agricultural growth. Constrained financially and encouraged by international precedence, the colonial government offered land as an incentive to encourage private investment in railways. This thesis analyses the policy decision to fund the Great Southern Railway through a land-grant scheme, examines the construction and impact of the railway, and determines that—despite the failure of the West Australian Land Company in 1897—the scheme succeeded in delivering the government's key objectives.

CHAPTER ONE:
RAILWAYS AND GOVERNMENTS

This chapter examines the relationships between governments, businesses and railways in the nineteenth-century construction of rail. By the 1870s, when the colony of Western Australia was petitioning the Secretary of State for the Colonies for approval to build a railway, there was a considerable international precedent to draw upon in the relationship between government and railways to inform the colony's business proposals. It is my argument that the Secretary of State for the Colonies and the colonial government misinterpreted the successful North American land-grant model and adopted a high-risk variation of the model for the Beverley to Albany railway. This chapter focusses on the role of the Legislative Council in considering the various proposals, and how the contract, as it was finally agreed with Anthony Hordern's West Australian Land Company, was shaped to meet the needs of the colony.

Government and the business of rail in Britain

Writing in the eighteenth century, Adam Smith linked the security of property rights, through a "tolerable administration of justice," to economic progress.[1] A century later, the railways' need for land challenged the property rights of British landowners who stood in their path. Landowners were often unwilling to allow a railway to cut through their land, but a railway required a strip at least one chain (20.1 metres) wide in which to operate. They also needed space for workshops and railway stations as well as the land on which they ran. In the United Kingdom, to be seen as a tolerable administration of justice, the compulsory resumption of land needed to have the authority of an Act of Parliament. Nineteenth-century objections to railways were not limited to their physical disruption of landscape; some were also concerned with the potential spread of moral depravity that these links

[1] Douglas A. Irwin, "Adam Smith's "tolerable administration of justice" and the Wealth of Nations," *Scottish Journal of Political Economy* (11.08.2019 2019), https://doi.org/10.1111/sjpe.12229.

to the outside world might bring.[2] Current transport providers added to the opposition. Resistance to the railway ranged from the physical intimidation of survey parties to the exercise of influence in high places. The degree to which a proposed railway was initiated or supported by the government often determined the size of the political obstacle involved.

British policy at the time railways began operations was influenced by the popular, laissez-faire economic theory. This policy discouraged the government from initiating, financially supporting or controlling the operations of private companies, preferring to let market forces take their course. As Sir Robert Peel, Britain's conservative prime minister, expressed, there was no "better test of what is required, or what is likely to become useful, than the prospect of remuneration".[3] Fortunately for railway development, a profitable opportunity existed in the transport of coal from collieries to the nearby towns. The 1836 railway map (Map 1 in Figure 3) shows the railways clustered around the coalfields. The Stockton and Darlington Railway in the United Kingdom was one of the world's earliest railways, having commenced operation in 1825, and was built because it could carry coal to Darlington at half the price of a horse-drawn wagon.[4] Thereafter, railway technology spread rapidly, so much so that Dena Kasraian and others found that most industrialised nations had established railways by 1830.[5] Compared to North America and Australia, railways in the United Kingdom operated over short distances in an intensively utilised environment. Supplying the needs of the manufacturing industries for raw materials and coal, provided the opportunity for profit.

The construction of the Liverpool to Manchester Railway illustrates what was then Britain's common business model for rail. While the distance between the cities was only 31 miles (50 km), it sometimes took twice as long for goods to get overland from Liverpool to Manchester than it took for them to arrive from North America. This delay, and the monopolistic pricing of the canal companies, provided a commercial opportunity for the proposed railway. A wealthy corn merchant, Joseph Sanders, and a lawyer, William James, combined to employ George Stephenson as an engineer to design the railway. Opposition from vested interest and affected landowners was strong, and two attempts were necessary before parliamentary approval was secured in 1826, and construction could

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[2] Eton College was concerned that the railways would bring disreputable persons to the proximity of the college. Stuart Hylton, *The Grand Experiment*, *The Birth of the Railway Age 1820 - 1845* (Hersham: Ian Allan Publishing, 2007), 50.

[3] Philip Lloyd, "The Irish Railway Commission (1836-39)aiming to reform railways in the United Kingdom and to improve the governance of Ireland," *The Journal of Transport History*, 2018, 136.

[4] For a short summary of the way these transport technologies developed, see Hylton, *The Grand Experiment*, *The Birth of the Railway Age 1820 - 1845*, 5-24.

[5] Dena Kasraian et al., "Long-term impacts of transport infrastructure networks on land-use change: an international review of empirical studies," *Transport Reviews* 36, no. 6 (2016), https://doi.org/10.1080/01441647.2016.1168887.

Figure 2: The sequence of business events in nineteenth-century British rail development. Source, Tom Goode.

begin.[6] It was a pattern that was repeated frequently as rail expanded across Britain: a commercial objective was identified; finance was raised on the predicted profit; engineers were engaged to design the railway; and then the scheme was placed before parliament. Parliamentary approval enabled the start of construction, which often required further capital. When construction was complete; operations began, generating revenue to provide a return on investment. The model, therefore, followed the path in Figure 2.

In the early days, the objective of new rail projects was to increase profit by reducing the costs of transport, as was the case of the Stockton to Darlington Railway mentioned above. As railway companies grew, the commercial objective sometimes moved beyond monetary calculations to issues such as market share, which was the case in the Wensleydale Line built in the 1870s.[7] Such were the likely gains from railway transport that incentives were not needed to persuade investment in British rail. The government, therefore, limited its role to that of the disinterested regulator.[8] The laissez-faire approach to railways carried over to matters of critical public interest, such as operational safety and convenience. While power and speed occupied the enthusiasm of early engineers, railway safety was generally ignored. As L.T.C. Rolt indicated in his book documenting British railway disasters, Britain's government was usually content to let the railway companies learn from their own mistakes. It was not until 1889, 63 years after the Stockton and Darlington Railway opened, that measures such as continuous brakes were made compulsory by law.[9] The government was not entirely to blame, as some railway managers strongly resisted the introduction of even the most basic safety precautions. One unnamed railway manager was recorded as saying "He would prefer an occasional Penistone to

[6] Hylton, *The Grand Experiment, The Birth of the Railway Age 1820 - 1845*, 36-41.
[7] Hallas, "The Social and Economic Impact of a Rural Railway: The Wensleydale Line," 29.
[8] L.T.C. Rolt, *George and Robert Stephenson; the railway revolution*, Second Impression ed. (London England: Longmans, Green & Co Ltd, 1962, 1960), 59-64.
[9] L.T.C. Rolt, *Red For Danger: A History of Railway Accidents and Railway Safety*, Fourth ed. (London: David & Charles, 1984), 41.

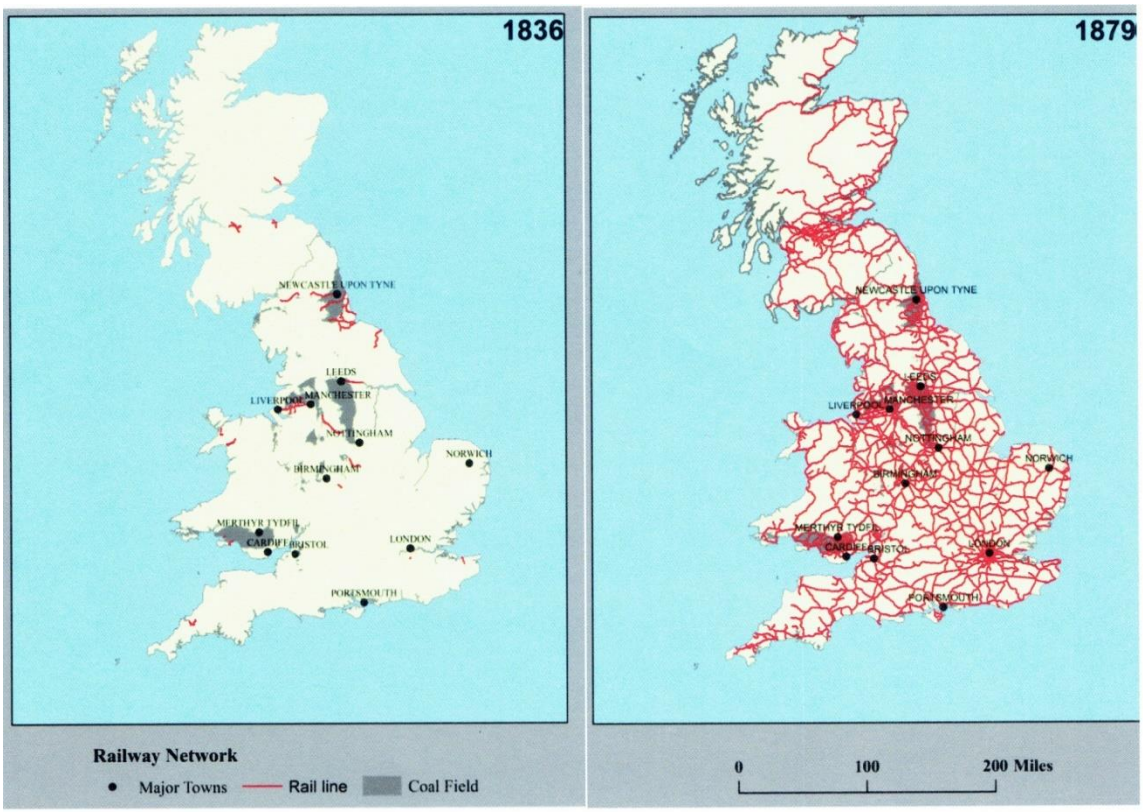

Figure 3: The growth of privately-owned British railways from 1836 to 1879. Source, Dan Bogart, Leigh Shaw-Taylor and Xueushen You, "The Development of the railway network in Britain 1825 – 1911", Outline Atlas: The Cambridge Group for the History of Population and Social Structure: 15, 21.

being compelled by Government to put on something he did not want."[10] The Penistone accident to which he referred, had a casualty list of 24 killed and 60 injured.

The government bestirred itself in 1844 to provide some convenience to the travelling public by legislating for a minimum standard of passenger comfort for third-class passengers; however, these rules only applied to one train per day in each direction. Wooden benches in open wagons sufficed for the other trains of the day.[11] Adhering to its laissez-faire philosophy, the British government did not attempt to control where railway companies should build their lines, nor how they should operate them. This is contrary to the approach that other governments sometimes took in the development of railway safety and passenger standards.

In the United Kingdom, the absence of government regulation meant the only way an impasse over land access could be resolved was by a Special Act of Parliament for each railway. According to

[10] O.S. Nock, *Historic railway disasters*, 1986 Reprint ed. (England;United Kingdom;: Arrow Books Ltd, 1966), 58.
[11] Hylton, *The Grand Experiment, The Birth of the Railway Age 1820 - 1845*, 91.

Kostal, in the first 25 years of railways, parliament provided railway companies with the "legal power to compel the sale of tens of thousands of acres" of the land they required for construction and operation. From the perspective of English legal history, "The railway movement brought about the most dramatic infringement of private property rights in England since the Civil War."[12] Kostal sees this as a case of urban capitalists persuading squire politicians of the benefits of rail, and acknowledges that the conflict provided much employment for the legal profession. Railway historian, Christian Wolmar, saw the issue differently, implying landowners had no right to object to the railways taking their land: "The Stockton & Darlington set the pattern by giving every self-interested Luddite the opportunity to press their case, pushing up the legal bills which were to become a major expense for promoters of railway schemes."[13] Before the Bill could be presented to Parliament, companies had to have raised 80% of the capital required for a proposed railway.

The method adopted by most railway syndicates was to form a company with a nominal capital big enough to finance the project. Purchasers of these shares were not required to meet the face or cash value of the share but only a percentage that would be enough to cover the immediate cash needs of the company. In effect, the company exchanged shares for an amount of cash and a promise from the shareholder. This promise to pay became an asset the company could use to borrow from banks. The next step was to negotiate a Special Act of Parliament, permitting the compulsory purchase of the land needed for operations. This step required the preparation of detailed plans and surveys and the commercial case for the benefit the railway would bring. The debate in Parliament permitted those opposed to a line to attack the railway in detail. Most members were unaffected by the proposed line, and to get their support required various incentives. Once the Act of Parliament was negotiated, the company was able to finance the construction of the railway by further borrowing from banks. In theory, the profit from the railway operations would meet the borrowing costs and pay the shareholders a dividend. The success of the British business model is indicated in Figure 3, which maps the growth of Britain's privately-owned railway network from 1836 to 1879.

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[12] Rande W. Kostal, *Law and English Railway Capitalism 1825-1875*, Reprint ed. (New York: Oxford University Press, Incorporated, 1998), 144-45.
[13] Christian Wolmar, *Fire & Steam: A New History of the Railways in Britain* (Atlantic Books, 2008), 8,9.

The experience of western Europe

The British model of private ownership of railways transferred to Europe, but national interests on the continent demanded greater government involvement. Governments frequently established a form of partnership with private companies to ensure the railways met both the state and private needs. France viewed the construction of the first railways from a social aspect. The railways were intended to transform French society and benefit the entire country. In a recent examination of the French railway network from 1850 to 1910, Christophe Mimeur notes that rail networks were planned to enable the population to reach Paris.[14] Similarly, Laia Mojica and Jordi Marti-Henneberg examined the relationship between railway development and populations in France, Spain, and Portugal, noting that social goals rather than commercial opportunities influenced the development of the Spanish network, with the Spanish Railways Law of 1855 aimed at promoting national unity.[15] Belgium was an exception in Western Europe, as the government was heavily involved in the planning of rail: private entrepreneurs were excluded from participation in Belgian rail development, and government engineers were tasked with building a "coherent infrastructure frame facilitating transnational transport, as well as unifying and injecting Belgian regions with industrialisation".[16] The state-planned and state-owned structure of Belgian railways is unique within western Europe.

Wolmar credits Belgium with a "symbiotic relationship" between railways and the military that contributed to nation-building.[17] That the nation-wide railway system adopted by Belgium contributed to the country's defence was gradually recognised by other European countries, particularly for the way railways permitted the rapid transport of armed forces to points of conflict. Eventually, national security made it almost mandatory for countries with land borders to promote railway development,

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[14] Christophe Mimeur et al., "Revisiting the structuring effect of transportation infrastructure: An empirical approach with the French railway network from 1860 to 1910," *Historical Methods: A Journal of Quantitative and Interdisciplinary History* 51, no. 2 (2018), https://doi.org/10.1080/01615440.2017.1393358.
[15] Laia Mojica and Jordi Martí-Henneberg, "Railways and Population Distribution: France, Spain, and Portugal, 1870-2000," *Journal of Interdisciplinary History* 42, no. 1 (2011): 26, https://doi.org/10.1162/JINH_a_00203.
[16] Greet De Block, "Designing the Nation The Belgian Railway Project, 1830—1837," *Technology and Culture* 52, no. 4 (2011), https://doi.org/10.1353/tech.2011.0145.
[17] Christian Wolmar, *Engines of War, How Wars Were Won & Lost on the Railways* (London: Atlantic Books, 2010), 15.

although not every country was quick to recognise the military potential of rail. In the second half of the nineteenth century, strategic pressure caused European governments to take a more pro-active role in railway development.

Land-grant schemes of the United States and Canada

While commerce and defence shaped the growth of railways in the United Kingdom and Europe, a different model evolved in North America. This was particularly true in the United States, which was then developing and populating a very large country. The American model used government incentives to encourage the construction of railways by private companies, and therefore to promote population growth and economic development. This model was credited with the successful construction of the first United States transcontinental railway in 1869, and which was soon studied for its precedent by Western Australians.

Well before the advent of railways, the federal government of the United States had accepted that governments should play a role in the promotion of the means of transportation. In 1808 in a report to Congress, the Treasury Secretary, Albert Gallatin, noted transportation's role in facilitating unity through commercial and personal intercourse and an increase in national wealth. He argued for the "early and efficient aid of the Federal government" as a way to assist private companies in overcoming the risks associated with the development of transport.[18] Gallatin was referring to roads and canals, but the principle applied equally to the development of railways.

At an early stage in the development of railways in the United States, Gallatin's philosophy meant government financial support for railway construction. In 1827, the

[18] U.S. Senate (1808) "Roads and canals." Report communicated to the Senate, April 6. American State Papers 037, Miscellaneous, vol. 1, 10th Cong., 1st sess., pub. no. 250.

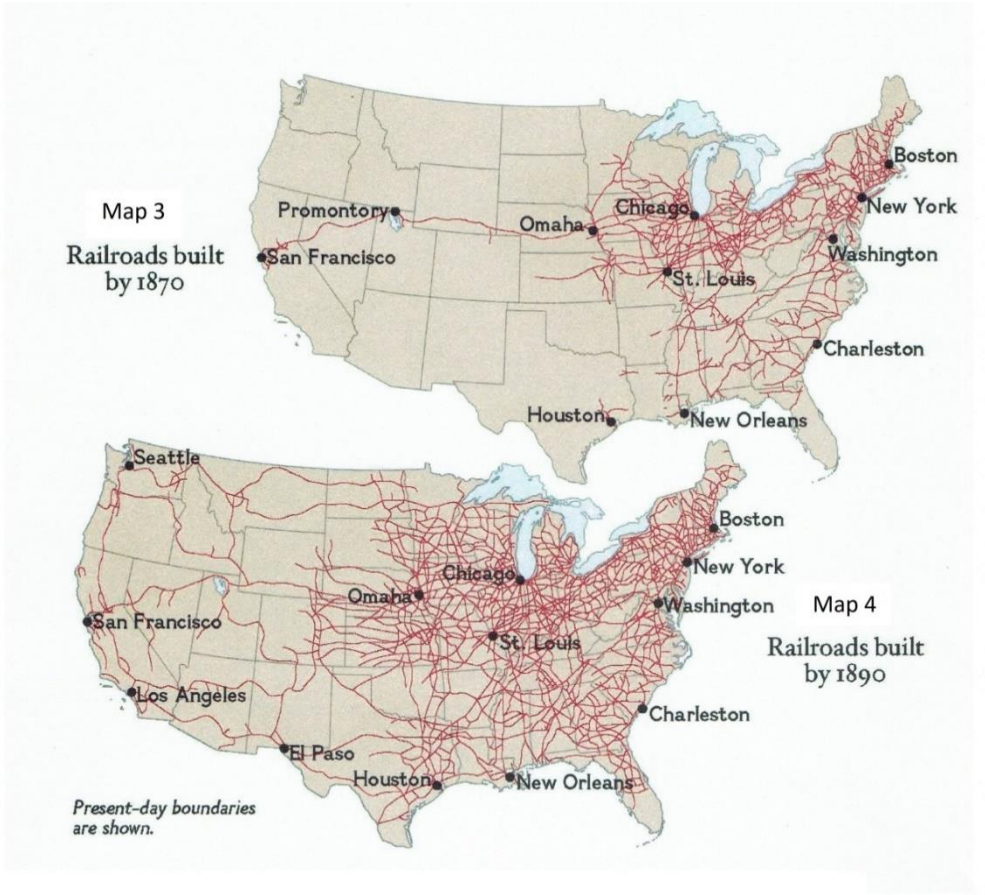

Figure 4: "Railroads Built in the Late 1800s", Tracking Growth in the U.S.(National Geographic Resource Library), https://media.nationalgeographic.org/assets/photos/000/315/31540.jpg, accessed 29 December 2020.

Baltimore & Ohio Railway was partially funded by the state and was in commercial competition to the Erie Canal.[19] David Schley contrasts the financial motivations of this state-funded railway initiative with the prevailing non-interventionist economic policies of the United States. Thus, Ohio, the birthplace of American railroading, firmly established the principle of government investment in the development of privately-owned railways. As Figure 4 demonstrates, by 1870 extensive railway networks had been constructed in the eastern third of the country.

Government encouragement of private railway construction differed from the British business model in two ways. By defining the need for the railway and seeking proposals for its construction, governments lowered the financial risk to investors and

[19] David Schley, "A Natural History of the Early American Railroad," *Early American Studies: An Interdisciplinary Journal* 13, no. 2 (2015), https://doi.org/10.1353/eam.2015.0009.

Government identifies need for railway
Offers land and cash incentives
Private company raises finance
Builds & Operates Railway
Sells land for profit

Figure 5: The business model established by the first United States transcontinental railway (1862 – 1869). Source, Tom Goode.

assured the passage of legislation for land resumption. Active intervention by the federal government, coupled with the availability of vast quantities of unsettled land created a business model, significantly different from the British model, as is mapped in Figure 5.

The construction of the first transcontinental railway dominates the history of railway construction in the United States. Born of a national imperative to bind the East and West of the nation at a time when the North was at war with the South, the construction of over 2000 miles of a railway linking Omaha to San Francisco is hailed as one of the engineering wonders of the modern world (See map 3 in Figure 4). Completed by 1869, the social impact was even more significant. In addition to the East-West link, activity around the railroad construction helped create the legends of the 'wild west', saw the demise of Indian nations, and turned vast areas of open plains into agricultural communities.[20]

Land grants were one of the strategies used in the construction of the transcontinental railway. In 2016 Launius examined the support provided by the federal government to the companies constructing the transcontinental railroad, and identified six inducements for privately constructed rail development, in the following sequence:

1. Land grants as a means of offering potential future revenue, tied to success in creating the railroad system.

2. Direct government appropriations to the company involved in the endeavour.

[20] Ryan Dearinger, *The filth of progress: immigrants, Americans, and the building of canals and railroads in the West*, First ed. (Oakland, California: University of California Press, 2016).

3. Waivers/modifications to taxes and other regulatory requirements.
4. Contracts for services once capability is demonstrated.
5. Government endorsement and backing of corporate bonds/assets.
6. Indirect support for related but supplemental elements of the railroad transportation system. [21]

In contrast to the United Kingdom and Europe, there were large areas of unsettled territory in the United States, which made land-grant incentives possible. The railway companies were quick to promote the sale of their lands, adding to the westward wave of migration reflected in the expansion of the rail network over 20 years. Land grants associated with the construction of the railway have a much longer life in the public eye. To realise a return from the grants earned, the railway company must advertise and sell the land. According to William Greever, American railroad companies received federal land grants of about 175,350,534 acres between 1850 and 1871, which, along with contributions from various states, netted a profit of $489 million when it was sold in 1927.[22] This result was achieved with marketing strategies that kept the concept of land grants in the public eye.

Historians remain divided as to the value and necessity of land grants in promoting railway development in the United States. Xavier Duran argued that incentives such as land grants were unnecessary, given that the Nevada mining boom of 1859 provided a local traffic component with immediate returns to the railway investors.[23] Sean Kammer refers to disputes over land ownership, fomented by the informal way some companies used “negotiation, coercion, or violence” to settle these disputes, created further public attention.[24] Public concern led to legislation banning the practice in the US from 1871. Richard Orsi writing in 2005 with access to the

[21] Launius, "The Railroads and the Space Program Revisited: Historical Analogues and the Stimulation of Commercial Space Operations," 168-74.
[22] William S. Greever, "A Comparison of Railroad Land-Grant Policies," *Agricultural History* 25, no. 2 (1951): 84-86.
[23] Xavier Duran, "The First U.S. Transcontinental Railroad: Expected Profits and Government Intervention," *The Journal of Economic History* 73, no. 1 (2013): 178, https://doi.org/10.1017/S0022050713000065.
[24] Kammer, "Railroad land grants in an incongruous legal system: corporate subsidies, bureaucratic governance, and legal conflict in the United States, 1850-1903," 393.

records of the Southern Pacific Railroad takes a more balanced view, pointing out that the sale and settlement of the lands granted to the railways achieved the government's goal of national development.[25] These assessments are all made well after the event. A clear indication of the contemporary view of land-grant incentives is the decision of the Canadian government's in 1879, to offer incentives of $25,000,000 cash and 25,000,000 acres of land to build the Canadian Pacific Railway.[26] From 1870 several US railways were constructed towards the Canadian border in the hope of attracting a junction with a line on the other side. The Canadian Pacific Railway was the government's response to this potential competition. Details of the Canadian proposal were published in Perth on August 20, 1879.[27] Knowledge of the land-grant experience in the United States of America and Canada to that time, informed the debate in Western Australia.

The cash and land incentives provided by the governments altered the business model for railway investment. National development superseded commercial profit as the reason for the railway, and this was recognised and compensated with direct appropriations of government funds to meet immediate costs and the grants of land for future profits. Government support smoothed the legislative requirements. While building the railway was initiated by the government, and incentives were provided to encourage investors, ownership of the railways remained in private hands.

[25] Richard J. Orsi, *Sunset Limited: The Southern Pacific Railroad and the Development of the American West, 1850-1930* (University of California Press, 2005).
[26] Greever, "A Comparison of Railroad Land-Grant Policies," 86.
[27] "The Inquirer" *The Inquirer and Commercial News* (Perth, Western Australia) 20 August 1879, 2.

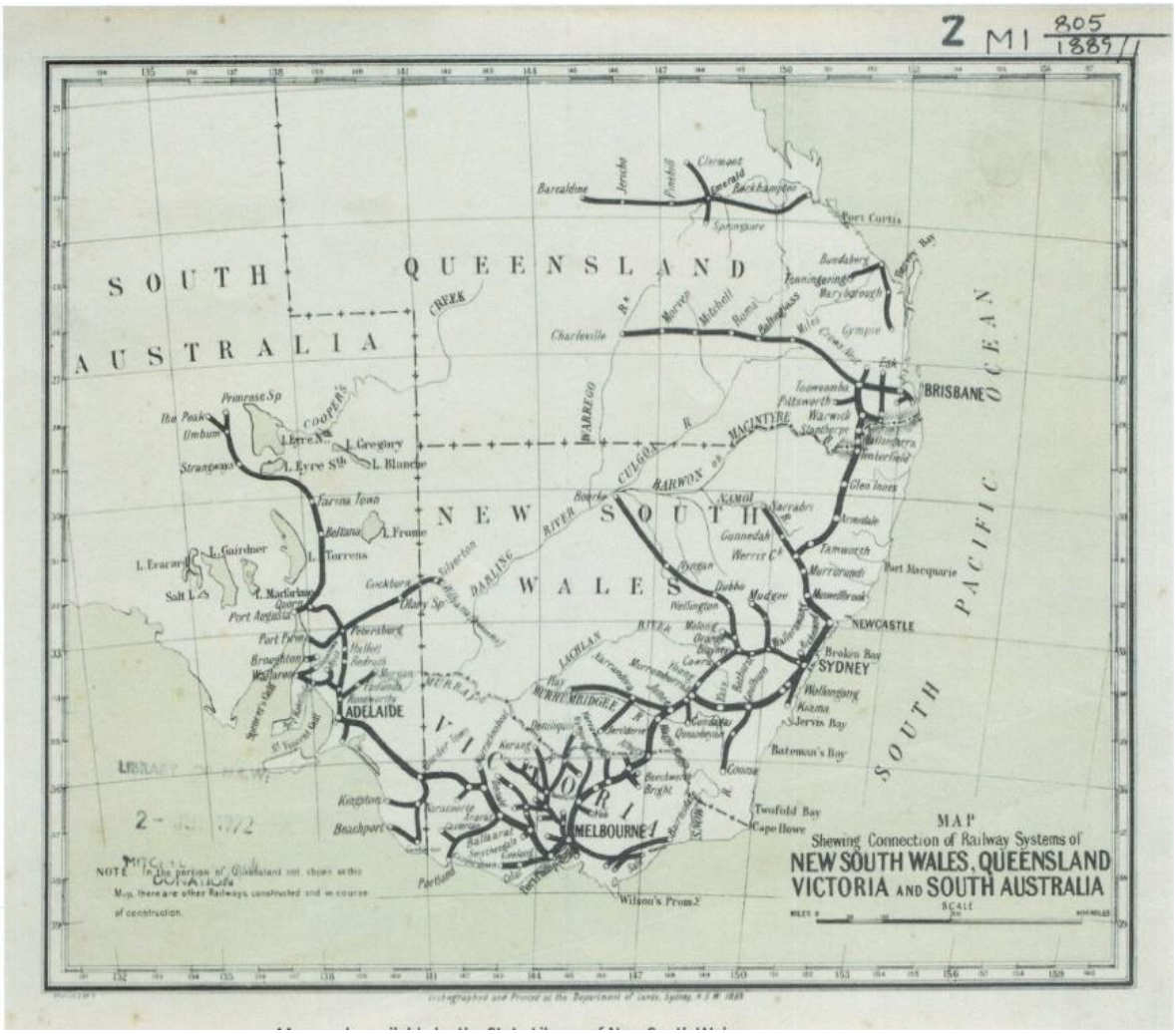

Figure 6: New South Wales Department of Lands, "Map Shewing Connections of Railway Systems of New South Wales, Queensland, Victoria and South Australia", Sydney, 1889. State Library of New South Wales.

Railways in Australia's eastern colonies

In Australia, the construction of railways took a different path to that of North America. Until they were granted self-government, Australia's eastern colonies were governed by British officials under the remote supervision of the Secretary of State for Colonies in London. Unlike the United Kingdom, the existing market for transport was initially limited, given the small population sizes. The region's main product, wool, was a high-value, low-volume commodity which could afford the cost of slow road transport, so it was not until the gold rushes of the 1850s that the demand arose for a better transport system. Governments saw railways as a tool to promote development, and with government investment in railways, public ownership of Australia's eastern railways became the norm. In one of his 1970s landmark reviews of economic history, Noel

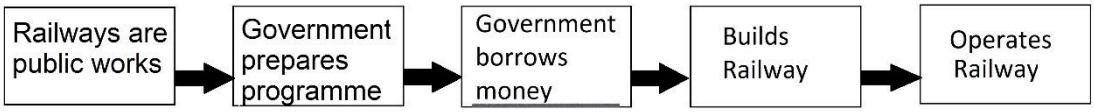

Figure 7: The business model of railway construction in Australia's eastern colonies. Source, Tom Goode.

Butlin estimated that between 1861 and 1900, "government capital outlays, mainly in the provision of communications, accounted for one-third to one-half total capital outlays."[28] Revenue from wool and the gold discoveries of the 1850s allowed governments to build railways as public works and to own and operate them post-construction.

For colonial governments, tariffs were an essential source of revenue and were easier to collect if all imports and exports passed through the same port. The result was a network radiating out from the capital city and in some cases extending to the border to ensure all products from the hinterland passed through the capital city.[29] By 1889 the capital-centric railway systems had reached out to meet at border towns, establishing a tentative national route through the eastern colonies (see Figure 6).

Starting in the 1850s the governments of New South Wales and Victoria built their railways on different gauges, one broad and one standard, having appointed chief engineers who had different views on the best gauge. Queensland (and, later, Western Australia) chose a narrow gauge for the economy of construction, while at one stage South Australia had all three. When the transcontinental railway opened in 1917, a traveller from Perth to Sydney had to change trains five times.[30] As Geoffrey Blainey points out, there was no economic imperative to sort out the problem because most goods travelled between states by sea. "The main purpose of the railways was not to link ports," he wrote, "but to link each inland area with the nearest port."[31] This rule only held good if the nearest port was the capital city of the colony.

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[28] N.G. Butlin, *Investment in Australian economic development, 1861-1900* (Canberra: Dept. of Economic History, Research School of Social Sciences, Australian National University, 1972), 6.
[29] Gray, "Maintaining the Power of Central Governments: Regional Land Transport in the Australian Federation, 1850–2007."
[30] The origin of Australia's mixed gauges still exercises some writers. See Mills, "Australia's mixed gauge railway system: a reassessment of its origins."
[31] Blainey, *The Tyranny of Distance: How Distance Shaped Australia's history*, 155.

British investment created the railway network of Australia's eastern colonies. Still, it was not a direct investment in private companies, as in the European and North American examples, but an investment in colonial government loans raised for public works. The security implied in a government loan avoided the need for special incentives to investors. The business model (Figure 7) for railway investment became skewed when politicians began offering railways to win votes in regional areas without consideration of the economic viability of the proposed railway.

In summary, four business models in railway construction were available for Western Australians to consider in 1880: those of Britain, western Europe, North America and Australia's eastern colonies. In Britain, the government relied entirely on private development with the intervention of parliament as required. In Europe, the model was based on private ownership for profit, with influence from the government to suit national agendas, while in North America, the goal was national development with inducements of cash and land to private companies to encourage investment. In eastern Australia, colonial governments channelled investment through public loans, retaining ownership of railways as a matter of policy. That which was most attractive to Western Australians was the North American land-grant scheme, though it was based on a misunderstanding of the model. There, the post-construction profits received by railway companies through land sales, and the migration and agricultural development that followed, gave Western Australians the impression that land grants alone would be enough to build a railway in the colony's south-west. This was the model approved by the Secretary of State for the Colonies, Earl Kimberley, for Western Australia.

Western Australia: The Lure of Land, Again

Economic challenges since 1829 meant that the colony of Western Australia was still governed from London in 1880. While a governor and executive council of senior officials (all of whom were paid by the British crown) operated locally, final governmental authority resided with the Secretary of State for the Colonies, who determined policy. In Western Australia in 1881, the governor Sir William Robinson was in the process of handing responsibility to Sir Napier Broome, and

John Forrest was the colony's surveyor-general. Forrest's recognised leadership and ability as an explorer and surveyor enabled him to overcome the perceived disadvantage of being colonial-born.[32]

Australia's eastern colonies had won self-government in the 1850s, and by 1880 there was much local feeling that Western Australia's time for independence had come. In response, a Legislative Council of elected members was formed and given an advisory role to the governor. By 1881 this had evolved into a body that included 14 elective members, the colonial secretary, surveyor-general, attorney general, and four colonists appointed by the governor. The Legislative Council had a certain degree of direct authority, subject to the governor's veto.[33] Despite the absence of votes for women and persistent property requirements for members and electors, the creation of a Legislative Council was a start down the path to democratic self-government. The council could plan public works and raise loans to fund them, though the Secretary of State exercised strict budgetary control to ensure the colony did not outspend its resources. Effective local planning was difficult under these conditions.

The Northampton to Geraldton railway in 1979 was the first attempt by Western Australia to follow the example of the eastern colonies and build publicly-owned railways. Prompted by the possibility of mineral exports, the line was poorly designed, required extensive reconstruction and remained a drain on the public purse, especially after the market for copper ore collapsed.[34] Closer to Perth, the demand for transport by the settlers in the Avon Valley region created a priority for a Fremantle to York line which became known as the Eastern Railway. The parsimonious attitude of the Secretary of State restricted the borrowing for public works and meant construction was in stages. The first stage, from Fremantle to Guildford, opened on 31 August 1880.[35] This railway was highly popular but underspending on locomotives meant it struggled to maintain even a limited passenger service. Inexperience in railway management created problems and led to the feeling that contractors should be required to operate any new railway for a year or so before it was considered complete. By careful use of borrowed funds, the colony built the subsequent stages of the Eastern Railway, connecting Fremantle to York with an extension to Beverley

[32] F.K. Crowley, *Big John Forrest 1847-1918: a Founding Father of the Commonwealth of Australia* (Nedlands, W.A: University of Western Australia Press, 2000).
[33] B.K. De Garis, "Self-Government and the Evolution of Party Politics 1871-1911," in *A New History of Western Australia*, ed. C. T. Stannage (Nedlands, Western Australia: University of Western Australia Press, 1981), 327.
[34] Higham, *One Hundred Years of Railways in Western Australia; 1871-1971*.
[35] Minchin and Higham, *Robb's Railway: Fremantle to Guildford railway centenary, 1881-1981*, 9.

planned. With the regular steamship services using Albany in preference to Fremantle, the need for a faster mail and passenger service to Albany was obvious. Still, the main goal was the development of the region with the railway bringing in the new farmers and taking their produce to market.

The successful use of land grants in the United States and Canada to construct transcontinental railways had revived the idea of funding public infrastructure through grants of land. This method was particularly attractive to Western Australia, where unalienated crown land was plentiful. On 19 January 1881, Robinson sought the advice of the surveyor-general, Sir Malcolm Fraser, on "the question of constructing a Railway from King George's Sound on the Land-Grant System".[36] Fraser was enthusiastic, estimating the cost to be £880,000, and proposing that in return for two million acres of land, capitalists might construct a railway from Beverley to King George's Sound with suitable wharves at the harbour and settle five thousand persons on the land.[37] Fraser's memo is significant in that it identifies the government's key objectives for the new railway: improved transport for agricultural goods, improved movement of people between Perth and Albany, and an increased regional population. Equally important in the message is the implied valuation of the land at approximately nine shillings per acre, the same land that the government had already struggled to sell at ten shillings per acre. Other forms of financial incentive for the rail were not considered, resulting in a model that looked very similar to that on which the colony was first founded. Land—not cash reserves—was to build the railway.

The Legislative Council adopted a resolution supporting the proposed land-grant scheme in March 1881, to which the governor added his support and forwarded it to the Secretary of State, Lord Kimberley, in June. On 27 July 1881, Kimberley's replied as follows:

> I have the honour to acknowledge the receipt of your Despatch No. 106 of the 9th of June, with its enclosures, respecting the proposed opening up of the South-western part of Western Australia by the construction of Railway accommodation between the Eastern Districts and King George's Sound on the Land Grant System.

[36] Note from Sir William Robinson to Sir Malcom Fraser in Correspondence on the Subject of The Construction of Railways on the Land Grant System, Short.
[37] Fraser to Robinson dated 29 January, 1881 in Correspondence on the Subject of The Construction of Railways on the Land Grant System, Short.

> I shall be prepared to sanction any scheme of the kind contemplated in the Resolution of the Legislative Council, which may be brought forward by responsible and competent persons, on terms which, on examination, may appear to me to be reasonable and advantageous to the Colony.[38]

This response must be considered alongside the colony's struggle to gain approval to seek loans to complete the Fremantle to York railway. The Secretary of State had placed severe limits on borrowing for public works due to his concern at the limited income generated in the colony. Financial subsidies or government guarantees of loans were not considered an option. Land grants were expected to be enough inducement for the construction of the railway, conveniently ignoring the part direct appropriations played in the North American model. The decision of the Secretary of State imposed a business model for the construction of the railway that required the raising of capital and construction by a private company (see Figure 8).

Government identifies need for railway
Offers land incentives (No cash)
Private company raises finance
Builds & Operates Railway
Sells land for profit

Figure 8: Land-grant business model proposed for Western Australian rail development, 1881. Source: Tom Goode.

This model, if successful, offered considerable advantages to the colony. First, there was no direct outlay of public money, meaning the colony's revenue and loans could be directed to other works. Secondly, the proposed railway from Beverley to Albany would complete a much-needed rail link from Perth to the main port in Albany. Finally, more than two million acres of land would be made accessible for agricultural development: to realise its profit, the railway company would have to promote the sale of its land to new settlers, boosting immigration. The cost to government would be the surrender of land, which was, in any event, under-utilised and remote from markets.

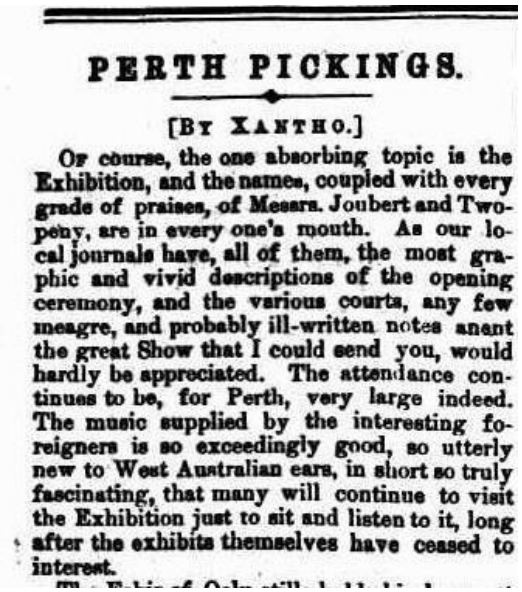
[38] Correspondence on the Subject of The Construction of Railways on the Land Grant System, Short.

In the context of the agitation for a greater degree of self-government, the message from the Secretary of State was a test for the Legislative Council. In effect, the Secretary of State passed the leadership and responsibility of the project to the representatives of the local community. This message was confirmed when negotiations between Anthony Hordern and the crown agents in London reached a stalemate in 1884, and the matter was referred to the Legislative Council for a decision. After the Legislative Council reached an agreement with Hordern over the outstanding issues, Broome signed the contract.[39]

Proposals and Negotiations

In 1880 the people of Western Australia began to experience the benefits of rail transport. The opportunity to travel by train had taken some time to arrive. In 1879, a railway from Fremantle to Guildford was built as the first stage of the line to York.[40] Completed in 1880, the railway moved more passengers than freight with official statistics of 1881 showing 67,144 passenger journeys by a population of only 30,013.[41] Part of the reason for the passenger traffic would have been the popularity of the International Exhibition staged by Jules Joubert in Perth between November 1881 and January 1882. Joubert had promoted agricultural exhibitions in NSW before putting together a collection of international exhibits and performers which came finally to Perth via the eastern colonies. While attractions such as the Austrian Military Band entertained the people of Perth over the three months of the exhibition, Joubert became well known to Perth society and aware of the difficulties faced by the colony.

[39] Papers relating to the Construction by Mr A. Hordern of a Land Grant Railway between Beverley and Albany, A33 (Perth, WA: Legislative Council, 1884).
[40] For a more detailed discussion of the construction of this railway see Minchin and Higham, *Robb's Railway: Fremantle to Guildford railway centenary, 1881-1981*.
[41] "Statistical Tables Relating to the Colony of Western Australia From 1872 to 1881 inclusive," (Perth, Western Australia: Legislative Council, 1882).



PERTH PICKINGS.

[By Xantho.]

Of course, the one absorbing topic is the Exhibition, and the names, coupled with every grade of praises, of Messrs. Joubert and Twopeny, are in every one's mouth. As our local journals have, all of them, the most graphic and vivid descriptions of the opening ceremony, and the various courts, any few meagre, and probably ill-written notes anent the great Show that I could send you, would hardly be appreciated. The attendance continues to be, for Perth, very large indeed. The music supplied by the interesting foreigners is so exceedingly good, so utterly new to West Australian ears, in short so truly fascinating, that many will continue to visit the Exhibition just to sit and listen to it, long after the exhibits themselves have ceased to interest.

Figure 9: Joubert's Exhibition, Victorian Express (Geraldton, Western Australia), 30 November 1881, 3.

Travel between Perth and Albany had been an issue for some time. Ships sailing to the eastern colonies via the Cape of Good Hope found Albany a convenient port. Even the opening of the Suez Canal in 1861 and the replacement of sail by steam had not improved the desirability of Fremantle as a port, as the major steamship companies preferred the sheltered waters of Albany as a coaling port, rather than Fremantle's open roadstead. With the prospect of being able to fund further railway construction on the land-grant system, a connection between Perth and Albany received priority. With the construction of the Eastern Railway extending to York, a further extension southward to Albany was a logical step and in September 1881 the Legislative Council approved the sum of £600 to obtain more detailed information about the country through which the line would pass.

Joubert, who was in Perth with his International Exhibition, was quick off the mark with a proposal on 7 January 1882 to construct a line from Beverley to Albany. The proposal was as much conceptual as detailed, estimating the cost of the line at £1,000,000 and proposing to build the line and hand it over to the government by 31 December 1885. In return, he asked for ten million acres of land of which half was to be along the proposed line, one quarter towards the South Australian border around Eucla and one quarter in the area between Geographe Bay and Albany. The land was priced at two shillings and sixpence an acre, which was the government's price for land in the outlying sectors. Ten million acres at 2s 6d an acre calculates out at £1,250,000. He corrected this error in a letter on 12 January 1882, by adjusting the cost of the project to one and a quarter million pounds. Joubert planned to introduce 2,000 immigrants with the stipulation that they would be paid partly in cash and partly in land to encourage them to stay.

The governor, Sir William Robinson, was impressed by the proposal and arranged for it to be distributed by circular letter to all members of the Legislative Council. Attached was a request from Joubert for a speedy response, as many of the

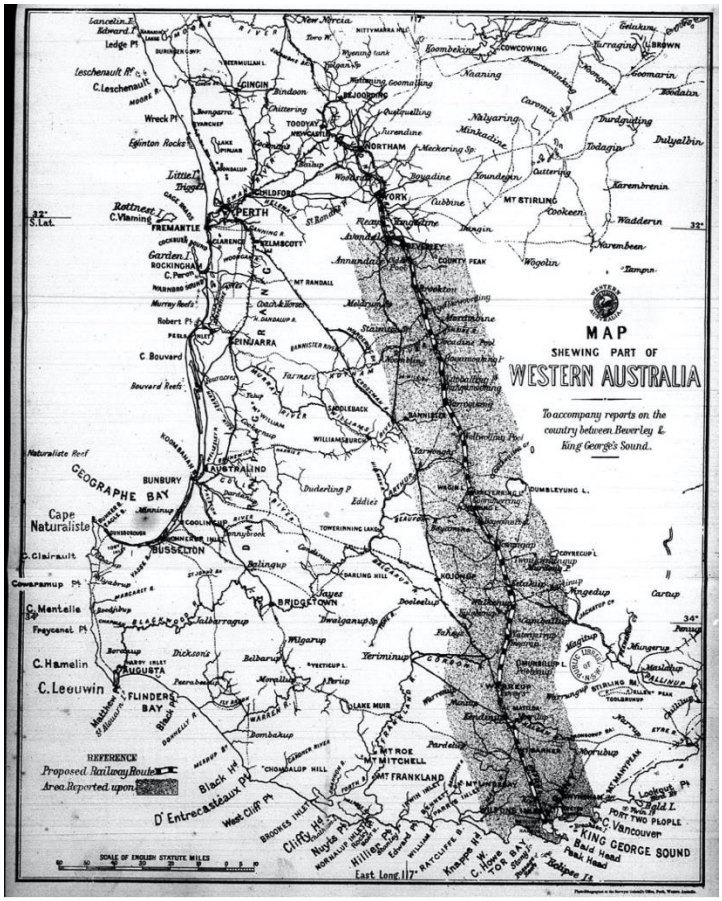


Figure 10: Map of proposed land grant railway from Beverley to Albany, as presented to the Legislative Council in 1882. Source: Votes and Proceedings, Legislative Council of Western Australia, Perth, 1882.

proposed workers were to be recruited from Switzerland where the St Gothard railway project was reaching completion. By using a circular letter to members of the Legislative Council and expressing his willingness to put the matter before the Secretary of State, Robinson gave a clear indication that he favoured the proposal.[42] The responses from council members identified what were to become common objections to the idea.

Lockier C. Burges, member of the Legislative Council was the first to respond, re-emphasising the colony's need for population, and regarding the advantages proposed by the scheme to be well worth the grant of 10,000,000 acres of "wasteland which we have held for over fifty years and made no use of".[43] Charles Crowther, the member from Geraldton, expressed his approval in a brief response, requiring only assurances as to the capitalists referred to by Joubert. Stephen S. Parker from York was more cautious, as he considered the price too high and likely to consume some of the best lands. Thomas Carey, the member from Bunbury, favoured the project, provided Joubert operated the railway for two years after completion. Harry Venn, also from Bunbury, rejected the proposal in the absence of detailed information about the area through which the line was to pass. In his opinion, railway workers would not make good settlers. They would sell any land they

[42] Correspondence on the Subject of Mr Joubert's Proposal to Construct A Railway to King George's Sound on the Land Grant System, 3 (Perth, Western Australia: Legislative Council, 1882).
[43] Correspondence on the Subject of Mr Joubert's Proposal to Construct A Railway to King George's Sound on the Land Grant System, Short, 5.

might receive for what they could get and move on. Other members, located in Perth, met and decided that it was necessary to wait until Forrest completed his report on the country of the proposed route, before making any decision. They also reminded the governor of the policy that a contractor needed to operate the railway for several years before the contract was to be considered complete. The latter was not something that Joubert was prepared to accept. With the majority of council members unwilling to negotiate on this point, the governor telegraphed Joubert on 1 March 1882, advising that his offer had been declined.[44] Joubert's proposal and its discussion established criteria for later submissions. The successful contractor would run the railway after construction which meant private company ownership. An increase in population, especially farmers, was necessary. The land was worth more than two and sixpence an acre, and it should be adjacent to the railway. Only one member, Crowther, expressed concern as to whether capitalists would be interested in investing.

Audley Coote of Tasmania wrote in October 1881, presenting his credentials in the construction of railways and telegraphs in that colony, and his role in introducing the guarantee and land-grant principles of railway funding. Following the failure of Joubert's proposal, he reopened negotiations based on a government guarantee of interest on the capital raised to construct the railway.[45] In a debate in the Legislative Council, Sir Thomas Cockburn-Campbell spoke in favour of the railway but calculated that the guarantee system, as proposed, would cost approximately £40,000 a year which the colony could not afford.[46] Although rejecting this proposal, it was agreed to continue negotiating with Coote to elicit a proposal that included a combination of land grants and guarantees.

[44] Correspondence on the Subject of Mr Joubert's Proposal to Construct A Railway to King George's Sound on the Land Grant System, Short, 14.
[45] Correspondence relating to Mr Audley Coote's Proposal to Construct a Line of Railway from York to Albany, (Perth, Western Australia: Legislative Council, 1882).
[46] *Western Australia*, *Parliamentary Debates*, Legislative Council, 12 September 1882, 339 (Sir Thomas Cockburn-Campbell).

The initial proposal from Anthony Hordern was for a railway to link Albany with Wyndham in the Kimberley via York, Geraldton, Roebourne, and Broome. Hordern was a third-generation Australian who with his brother owned a large department store in Sydney. Hordern ensured his status as a financier preceded his application with a series of advertisements such as the one pictured (Figure 11) in the West Australian newspaper in October and November 1882. According to a history of the Hordern enterprise written in 1938, it was while Anthony Hordern was travelling between New South Wales and England that "he was attracted by the immense possibilities of Western Australia" and this prompted an offer by him in January 1883, to arrange the construction of a railway from York to Albany on the land-grant principal.[47] Hordern's enthusiasm led him to propose that on completion of the section from Albany to York the line should extend to the north connecting all the ports until it reached the Cambridge Gulf. In connection with this, he proposed the introduction of 50,000 immigrants. His letter to the governor containing these proposals was printed, without comment, in the West Australian on the 26 January 1883.[48] The Fremantle based Herald newspaper favoured Joubert's proposal and used terms such as "specious and Utopian schemes" to describe Hordern's proposals.[49] The proposal was referred to the Legislative Council where Hordern's reputation and financial resources gave it a favoured status.

£700,000 WANTED TO LEND or INVEST on behalf of English Capitalists.
Apply by letter to—
ANTHONY HORDERN,
Merchant,
Haymarket, Sydney, N.S.W.
October 23.

Figure 11: Classified advertisement in the West Australian, 23 October 1882.

The Transcontinental Dream

In June 1883, Coote joined with Sir Julius Vogel, the former premier of New Zealand, to propose a line between Beverley and Eucla, using the argument that Fremantle stood between Europe and the populous colonies on the east coast. According to the proposers,

[47] Thomas J. Redmond, "The History of Anthony Hordern and Sons Limited," *Hordernian Monthly* 15, no. No. 5 (January 1938 1938): 35.
[48] "Railway Construction on the Land Grant System," Copy of Letter, *The West Australian* (Perth, WA: 1879-1954), Fri 26 Jan 1883.
[49] "A Gigantic Scheme of Railway Construction," Editorial, *Herald* (Fremantle, WA), 27 January, 1883, Sat Jan 27th, 1883, Supplement.

railway construction currently underway in the east would see a rail link from Brisbane via Sydney, Melbourne and Adelaide to Port Augusta in South Australia, completed within three years. Connecting York to Port Augusta via Eucla would complete the link with obvious advantages to Fremantle. The route suggested was south from Beverley to Eetakup (Eticup, near Broomehill) and thence easterly along the coast to Eucla.[50] The idea of an east-west rail link was warmly welcomed in Perth, as was the dream of Fremantle becoming the Australian gateway to Europe. Such visions could easily overlook that Fremantle needed significant redevelopment to make it a suitable harbour or South Australia might not be interested. As it was, South Australia was building a line to its north with the idea of Port Darwin becoming its international gateway.

At the opening of the second session of the Legislative Council in July 1883, the governor formally presented the proposal by Colonel McMurdo and that of Sir Julius Vogel and asked the Legislative Council to consider them along with Hordern's proposal. A select committee was formed to consider the proposals, consisting of Maitland Brown, William Marmion, James Lee Steere, George Randell, James Thomas, John Forrest, and Sir T.C. Campbell. The members of the committee had the benefit of not only the original proposals but also additional clarifications from each party and much advice through the local press. In terms of which route should have priority, the committee chose a direct route from Beverley to Eucla as this would provide the much-desired direct link to the eastern colonies and provide access to the Hampton Plains region. To be considered of equal importance was the connection of Beverley to Albany. Vogel's indirect route via Eticup did not find favour, nor did McMurdo's proposal to connect Albany to Eucla. It is possible that it was during these considerations that Forrest became enamoured of a trans-continental rail link, an idea he pursued vigorously and successfully throughout the 1890s negotiations for an Australian federation.

The report then turned its attention to detail. Railways were to be to the same gauge (three feet and six inches) and quality of the government's line. Surveys should commence within 12 months, and construction start within two years. Contractors were

[50] Proposals by Sir Julius Vogel, K.C.M.G., and Mr Audley Coote to Construct a Railway Between Eucla and Beverley on the Land Grant System, 1883, Votes and Proceedings, No 17, Legislative Council of WA, Perth WA.

to build, equip and operate the railways. For land grants, they were to be allocated at the rate of 12,000 acres per mile after every twenty miles was completed. Grants were to be in blocks of not less than 60,000 acres on opposite sides of the line and at least ten miles apart. The government would withdraw from sale all unalienated land along the route until the completion of the contract. Provisions were made for the introduction of migrants, exemption from duty for railway material imported, and who would be responsible for various expenses. The final paragraph hands the responsibility for negotiating agreements back to the governor.[51]

The resolution of the Legislative Council became the baseline for the crown agents in London who were negotiating with Hordern concerning the Beverley to Albany line. While agreeing on many clauses, negotiations reached a point where the differences had to go back to the Legislative Council for ratification of some issues. The Secretary of State agreed and passed the matter to Broome for local consideration and decision. The governor referred these issues to the Legislative Council where they were debated at length. Broome sided with the council, rather than Forrest, and signed the contract on 25 October 1884.[52] Broome had a tempestuous working relationship with Forrest, his commissioner of lands.[53] Forrest came to believe that Broome had acted hastily in signing the contract, which possibly coloured his future relationship with Hordern and the West Australian Land Company.

There was little discussion on the government's embargo on land sales along the line. The embargo was intended to prevent land speculation before the company made its selection. The wording of the contract linked the duration of the embargo to the completion times.[54] Those inconvenienced by the ban blamed the company, not the government.

The Legislative Council invested considerable time and money in determining the conditions for Hordern's contract. When a railway to connect York to the Champion

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[51] From message No 4 quoted in Sir T Cockburn-Campbell et al., *Report of the Select Committee of the Legislative Council appointed to consider and report on the construction of railways in Western Australia on the land grant system*, Legislative Council of Western Australia (Perth, Western Australia: Perth Government Printer, August 1883), 2.
[52] Papers relating to the Construction by Mr A. Hordern of a Land Grant Railway between Beverley and Albany, Short.
[53] Crowley, *Big John Forrest 1847-1918: a Founding Father of the Commonwealth of Australia*, 50-58.
[54] See clause 55 for the embargo and clause 11 for timings in Part III Papers relating to the Construction by Mr A. Hordern of a Land Grant Railway between Beverley and Albany, Short.

Bay (Geraldton) region was proposed by J. Waddington in 1885, they recommended its acceptance under identical conditions. Initially this railway followed the path of Hordern's grand design of an Albany to Wyndham railway.[55] There is a further link to Hordern in a telegraphic notice in the Sydney Morning Herald that Hordern was to purchase Waddington's interests for £25,000.[56] Hordern's death a short time later prevented the sale and the subsequent difficulties in financing the railway illustrate the risks associated with the land-grant model and the difference between contacts and resources of the two promoters.

The approval of two such schemes supports Roberts' conclusion that "land-grant railways were 'the principal and most striking feature' of Western Australia's policy at this period".[57] However in the same year, 1886, the Legislative Council rejected a land-grant line from Bunbury to Eticup, proposed by Hordern, preferring to wait and see how the two schemes progressed.[58] The real policy was the promotion of settlement, with railways as a facilitator of this policy.

Chapter Summary

Building railways created a conflict between the railway's need for operating space and the rights of individual property owners. Governments in most developing countries generally placed the social and economic benefits of railways ahead of property owners and passed Acts of Parliament to permit the resumption of land where necessary. This was notably the case in Britain, where government was otherwise removed from the construction and operation of rail. On the European continent, national security considerations influenced government attitudes to railway construction, but private ownership of railways was still the norm. Private ownership was the practice adopted in North America, although governments in both the United States and Canada were proactive in providing incentives to private companies to encourage railway investment. In Australia's eastern colonies, governments preferred to build and own their railways.

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[55] "A Gigantic Scheme of Railway Construction." *Herald* (Fremantle, WA) 27 January 1882, 2.
[56] "Railway Construction in Western Australia" *Sydney Morning Herald* (NSW) 26 July 1886, 7.
[57] Roberts, *History of Australian Land Settlement, 1788-1920*, 402.
[58] *Western Australia, Parliamentary Debates,* Legislative Council, 16 September 1886, 314.

Governments built some railways for the role they could play in developing the nation. In the absence of apparent commercial advantage, governments offered companies inducements to encourage the construction of a railway which may not be profitable for several years. Combinations of cash payments and land grants were notable successes in the development of transcontinental railways in North America, and closer examination of the business model shows that its success depended on the presence of both land and cash as inducements. Land grants as the sole incentive produced a high-risk business model.

And yet, this was the model adopted by Western Australia, where the Secretary of State for the Colonies was prepared to allow the Legislative Council to determine the conditions of a contract to build the railway. The colony expected that in exchange for nearly three million acres of unalienated crown land, it would see the construction of a railway between Beverley and Albany, a deep-water jetty in King George Sound, and a population of around 5,000 immigrants settled in farms and towns along the line of the railway. These were the general terms of the contract between Hordern and the government that was signed in October 1884.

CHAPTER 2:
BUILDING THE RAILWAY

With the signing of a contract between Broome and Hordern in 1884, the colony of Western Australia hoped for the construction of a railway that would not only triple the mileage of rail in the colony, but also complete the link between Perth and Albany. Albany was to have a deep-water jetty to service international steamships, and the railway was to open up the region for agricultural development by adding 5000 settlers to the colony's population. All this was to be achieved at the cost of 2.9 million acres of crown land. In this chapter, I examine the rollout and operations of the Great Southern Railway, including the establishment of its parent company, the West Australian Land Company, its relationship with government, and its impact on agricultural development of the south-west—thereby achieving the second aim of this thesis.

Raising the capital

The contract between Hordern and Western Australia represented overconfidence on the part of one party and naive optimism on the part of the other. The Legislative Council was naïve. It had recently had experience with a land-grant proposal to fund an extension of the telegraph network from Geraldton to Roebourne. This had failed to attract interest, and the £50,000 project had to be financed from the capital works program.[1] Despite this, the reputed success of land-grant schemes in North America buoyed optimism that land might fund a major rail project in Western Australia. As for the other party to the contract, Hordern, his wealth and position seemed to justify his confidence. Hordern did not record a reason for his interest in Western Australia, but

[1] *Western Australia, Parliamentary Debates,* Legislative Council, 26 July 1882, 2.

Figure 12: The Hordern Emporium, Sydney 1881. Note the London office address in the image banner. Source, Hordernian Monthly, January 1938, 34.

as early as 1873 he was writing to the Secretary of State for the Colonies with proposals for immigration schemes.[2]

Hordern, who through his agents Forrest and Angove, signed the contract for the construction of the Beverley to Albany railway, was the grandson of Anthony Hordern who with his wife Ann, had migrated to Sydney in 1825. In 1876, Hordern and his brother Samuel inherited a major mercantile establishment in Sydney. The firm of Anthony Hordern & Sons had its official birth in 1869, but by this time the family had accumulated wealth over three generations through shrewd real estate investments in Melbourne and Sydney, and a mercantile establishment based on offering a wide range of goods at cash-only prices. In an era when Australian industry could satisfy only a small part of the demand for manufactured goods, Anthony Hordern & Sons was the universal provider and focal point of Sydney's retail trade. The family's wealth meant that Hordern, who was born in Melbourne in 1842, had been educated in

[2] Ruth Teale, "Hordern, Anthony (1819-1876)," *Australian Dictionary of Biography*, 1972.

Sydney and at Rugby School in England, before he joined his father's firm at the age of 18.[3]

Hordern and his brother established a formal partnership in 1878, and subsequent history suggests that Samuel ran the Sydney operations while Anthony coordinated the supply of stock from overseas. In the period leading up to the signing of the Western Australian contract, Hordern opened offices in Britain, Europe, North America and China.[4]

By 1881 the firm had a central buying house in London at 13 Edmonds Place and "bought extensively in overseas centres of trade from Europe to Cathay".[5] It bought directly from manufacturers, a situation which provided Hordern with an extensive list of potential investors when he started raising the capital to build the railway. Despite these advantages, it took nearly eight months before the West Australian Land Company was created, which took place on 29 July 1885 and with an initial capitalisation of £100,000, divided as 200 shares at £500 each. A first call of £75 per share provided the company with a cash balance of £13,950 and assets of £81,175 in shareholder credits. Merchants, manufacturers and shipping agents dominated the shareholders' occupations. The company's 191 shares were spread among 66 shareholders, of which Hordern held the most. Most of the shareholders had addresses in England, with one each in France, New Zealand, Berlin and Australia. There was one female shareholder.[6]

The creation of the West Australian Land Company was a significant achievement. The high risk nature of land-grant investments was a deterrent to investors, and most land-grant schemes failed to attract funding. The manufacturers and merchants who comprised the majority of the shareholders would have had little knowledge of the land offered, as Western Australia was a small market for British products.[7] A critical factor in promoting investor confidence would have been Hordern's financial commitment of 60 shares worth £30,000. At this point, the

[3] Teale, "Hordern, Anthony (1819-1876)."
[4] Teale, "Hordern, Anthony (1819-1876)."
[5] Redmond, "The History of Anthony Hordern and Sons Limited," 34.
[6] "1885. Summary of capital and shares, The West Australian Land Company Records" State Library of Western Australia Acc. No. 3242A/3.
[7] Less than one percent of the imports into Australia from the UK. Ernst A. Boehm, *Prosperity and depression in Australia, 1887-1897* (Oxford: Clarendon Press, 1971), 29.

company's principal asset was the agreement signed between the government and Hordern. This concession was transferred to the company who set out to build the railway. The West Australian Land Company constructed and owned the Great Southern Railway with the latter term in common use about railway matters. 'Land Company' was the term used in conversation about the administration of its towns and the selection and sale of land.

Three tasks confronted the directors of the West Australian Land Company. The first was to build on the successful sale of the shares to raise more capital, while the second was to organise the building of a railway on the other side of the world. Neither task presented unusual difficulties. London was the financial capital of the empire and British engineers were accustomed to building railways in all parts of the world.[8] The third task was to recoup company finances by sale of land, but this was not an immediate issue as land grants would follow construction of the railway. By August 1886, the project was well underway, with contractors appointed and the survey started, when Hordern, accompanied by surveyor William Angove, departed for Australia. Hordern became ill prior to the ship arriving at Colombo, but appeared to recover sufficiently to continue the journey. A day or so out of Colombo, on the way to Albany, he relapsed and died.[9]

Hordern's unexpected death while on his way to a triumphal reception in Albany has given rise to the theory posed by Michael Tonts in *State Policy and the Yeoman Ideal* that the subsequent failure of the West Australian Land Company was due the loss of his guiding hand in the management of the company.[10] Hordern had established a positive relationship with Broome and the Legislative Council and as the guiding spirit of the Land Company, Hordern may have applied a more enthusiastic and local impetus to land sales, possibly preventing the company's later failure. Hordern and Forrest both subscribed to development through agriculture but differed as to the way to achieve it. Hordern espoused private enterprise while Forrest believed that railways, immigration schemes and agricultural settlement were best carried out

[8] For an example of the expertise in railway construction see Brian Cooke, *The Grand Crimean Central Railway*, Second ed. (Chesire, U K: Cavalier House, 1997).
[9] "The Beverley-Albany Railway. Interview with an official. Mr. Anthony Hordern's death" *The Daily News* (Perth, WA) 30 Sep 1886, 3.
[10] Tonts, "State Policy and the Yeoman Ideal: Agricultural development in Western Australia, 1890-1914," 8.

by governments.[11] Forrest's elevation to premier would have diminished Hordern's influence suggesting that Hordern's untimely death may not have been as significant as Tonts believes.

Hordern's enthusiasm for the opportunities presented by Western Australia led to a wide range of proposals that ranged from a railway from Albany to Wyndham, to a university for farmers.[12] There was also a proposed scheme to purchase a fleet of steamships to bring 50,000 immigrants to Western Australia printed, without detail, in the *Sydney Morning Herald* on the 29 January 1883.[13] These schemes all had two things in common: they were to be paid for with grants of land, and the immigrants were to be permanent settlers whose presence would boost the colony. These schemes suggest Hordern saw the occupation and use of land, not just ownership, as the way to creating wealth. The subsequent behaviour of the London directors differed, reflecting the attitude described by Statham, "in Britain land ownership represented status, security, wealth and political influence".[14] Statham had identified this attitude to land ownership as a key element in the difficulties of the early settlement of the colony and it provides some explanation of the failure of the Land company's directors to actively promote settlement.

Survey and Design

At the first meeting of the West Australian Land Company, the firm of Forrest and Angove was appointed to survey the lands along the proposed line of the railway. Forrest and Angove was a partnership between Alexander Forrest and William Angove, surveyors and general agents in Perth. Alexander Forrest, brother of John Forrest, already had a reputation as an explorer, having accompanied his brother on expeditions in 1870 and 1874. In 1879 he led a party to explore the Kimberley region.[15]

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[11] "The Hon. John Forrest's Address to the Bunbury Electors" *Daily News* (Perth, Western Australia) 22 November 1890, 3.
[12] The railway from Albany to Wyndham appears in "A Gigantic Scheme of Railway Construction" *Herald* (Fremantle), 27 January 1883. The university was in *The Sydney Morning Herald* (Sydney NSW), 14 December 1883, page 8.
[13] "Western Australia" *Sydney Morning Herald* (Sydney, NSW) 29 January 1883, 8.
[14] Statham, "Swan River Colony 1829-1850," 184.
[15] G. C. Bolton, *Alexander Forrest: his life and times* (Melbourne, Vic.: Melbourne University Press in association with University of Western Australia Press, 1958).

Angove was a licensed surveyor from Victoria and as he had established a degree of personal rapport with Hordern, took on the work associated with the West Australian Land Company.[16]

While the surveying firm of Forrest and Angove played an important role in the land-grant railway, the man who shaped the future infrastructure of much of the Great Southern Region is practically unknown. H. Wilson, a railway surveyor, arrived from Melbourne on 11 December 1884, to commence the location of the railway.[17] Little is known about Wilson, but his impact on the area between Beverley and Albany was substantial. Wilson was the engineer tasked with the "location" or design of the path of the railway. The "location of a railway" was the term used by engineers to prepare the detailed plan of the line including not only the route of the line but also the engineering details of gradients, curves, cuttings, and embankments. The descriptive term in common usage was "survey". By 8 February 1885, the survey party was at Chorkerup, 22 miles from Albany.[18]

The location survey was essential to the future prosperity of the railway. Steep grades, and tight curves affected the type of locomotive and rolling stock used and hence the speed, tonnage and ultimately revenue. The other critical factor was the location of permanent water, essential for the operation of steam locomotives. The path of the railway, as determined by Wilson, located the towns of Brookton, Pingelly, Narrogin, Wagin, and Katanning, which became regional centres for their districts. The railway bypassed the small settlements of Eticup and Mourambine leading to their demise.

With the company set up to receive 12,000 acres for each mile of the railway, there was no incentive to shorten the route by using either cuttings or embankments. Arthur Anderson, while surveying the northern section of the land-grant allocation, commented in a letter in 1888, "the temptation (was) to curve their line around every small hill to save cutting and gain more land, and I am sorry to say they have not been

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[16] Hordern called Angove to London to support his fund-raising with his knowledge of the country. Angove was an executor of Hordern's estate. *The Albany Mail and King George Sound Advertiser* (Albany), 19 Feb 1887, Page 2, Advertising.
[17] "Local News" *The Albany Mail and King George's Sound Advertiser* (Albany) 16 December 1884.
[18] Diary entry dated 8 Feb 1885, from the personal diary of Thomas Norrish, pastoralist of Eticup. The camp consisted of 11 tents suggesting a party of about twenty men.

able to resist it".[19] While this may be a valid criticism of the design of a line that takes 242 miles to link two points 205 miles apart, little re-engineering has since occurred. The survey of the line was completed by Christmas 1885. After approval by the government, it was forwarded to London, where the syndicate began the process of calling for tenders. While the work could now commence, the design of the line had created an issue between the townspeople of Albany and the railway that was not resolved until long after construction was finished.

Construction: Contract to Millar Brothers

In the initial negotiations, the construction of the railway was to start from Beverley as an extension of the existing network. In a written response to the Crown Agents, Hordern proposed that the line should commence at Albany and be carried to Beverley. The Crown Agents thought the reasons given were "entitled to consideration" but passed the decision back to the Colonial Government.[20] From Hordern's point of view, Albany was the better port, and the company could carry materials over its own railway as construction progressed. As a compromise, a condition of the contract required the company to build the railway starting simultaneously from both ends.[21] Ostensibly this condition was to ensure that should the company fail to complete their agreement; the colony would not be left with an isolated section remote from the existing railway. Unstated is the concern that the economic benefit would flow entirely to Albany to the detriment of Fremantle and Perth. This condition meant that construction could not be started at Albany until the survey and design finished. In turn, this delayed the start of the project by approximately six months. Still, more significantly, it prevented the company from staging the construction of the line and better managing the demand for capital.

As a consequence, the company decided to let the entire contract, less the ironwork, to C. & E. Millar of Victoria. The Millar Brothers were reputable railway contractors currently building the Adelaide to Melbourne line. The news was reported

[19] Copy of letter written to a fellow passenger. State Library of Western Australia ACC 9063A.
[20] Papers relating to the Construction by Mr A. Hordern of a Land Grant Railway between Beverley and Albany, Short. Part 1 page 2.
[21] Papers relating to the Construction by Mr A. Hordern of a Land Grant Railway between Beverley and Albany, Short. Clause 13.

in the *West Australian* on the 15 July 1886 along with editorial comment expressing mild surprise that Keane's tender at £10 per mile less, had been overlooked.[22]

The letting of the contract required the company to expand staffing in Western Australia. The *Western Mail* of the 11 September 1886, carried information from London, of key appointments. Stanford S. Young was appointed general manager, William Rogers, M.I.C.E., M.I.M.E., Chief Resident Engineer, and Charles Fenwick to take charge of the land office. These appointees, accompanied in some instances by family or staff, represented another wave of the tide of arrivals that the railway brought to Albany. The *Gulf of St Vincent* on which Fenwick and family were travelling, also carried 400 immigrants and more than 500 tons of iron rails and other stores for the railway.[23] Staff from Millar Brothers, the contractors, had been arriving steadily with the *Eastern Districts Chronicle* of 4 September 1886, reporting the arrival in York of "Mr Hutchieson, a representative of the firm of Messrs. Millar Bros". About 300 navvies were expected from Adelaide.[24] On 15 September 1886, the arrival in Albany of Millar's Chief Engineer for the railway, C.E. Oliver was reported in the *Albany Mail and King Georges Sound Advertiser* along with information about materials and plant being loaded in Adelaide for Albany.[25] The construction of the railway was drawing skills and material from both Great Britain and the eastern colonies. On the 20 October 1886, simultaneous ceremonies were held in Beverley and Albany to turn the first sod. Lady Broome accompanied by a trainload of officials from Perth officiated at Beverley, while the governor, Sir Frederick Broome officiated in Albany.

Construction Techniques

At the southern end of the line, the activity focussed on the Albany foreshore. One team worked on the construction of the deep-water jetty while others worked on aspects of rail construction. Crossing the Albany foreshore presented a variety of challenges as part of the rail was across shallow water and blasting was necessary

[22] Keane was a successful railway construction engineer resident in Perth. "News and Notes" *West Australian* (Perth, Western Australia), 15 July 1886, 3.
[23] "The Southern Railway," *Western Mail* (Perth), 11 September 1886, 15.
[24] *Eastern Districts Chronicle* (York, Western Australia) 4 September 1886, 3.
[25] " Local News" *Albany Mail and King Georges Sound Advertiser* (Albany, Western Australia) 15 September 1886, 3.

when a sandhill turned out to have a granite centre. Once over these obstacles, the gangs began to stretch out across the countryside. A typical pattern of railway construction would see a succession of gangs, following the survey team's design, as they worked their way along the track. The first gang cleared the path; the next would shape the formation for the line, while a third laid the track and ballast. Shaping the formation could mean activities ranging from excavating a cutting to building an embankment. It is at this stage that the skill of the location surveyor becomes evident. From an engineering perspective, the line across the Albany foreshore was considered the most difficult as it required cuttings through solid rock. Noise and dust from blasting were added to the town's discomfort.[26]

While construction of the railway line attracted most attention, establishing a permanent water supply suitable for use by steam locomotives required considerable effort. While the fire could be maintained with coal or timber, allowing the locomotive to run out of water effectively immobilised it, requiring a major workshop repair.[27] The geography and climate of the region demanded a continuing engineering effort, to construct and maintain wells and dams adjacent to the line. See Figure 13. Some towns such as Pingelly and other smaller locations were able to draw on these water sources for personal use, when rain-water tanks failed.

[26] "Albany - Beverley Railway: Route of the first 20 miles," *Albany Mail and King George Sound Advertiser* (Albany), 10 March 1885.
[27] G.D. Dempsey, D. Kinnear Clark, and Pete Waterman, *The Victorian steam locomotive: its design and development 1804-1897* (Barnsley, [England]: Pen & Sword Transport, 2015), 17.

Figure 13: Railway Dam under construction in 1917.Establishing permanent water supplies was an essential part of railway construction. Source: State Library of Western Australia 209894PD.

The composition of construction teams varied with the type of country, while obstacles that required bridging or cuttings would have particular gangs allocated. The navvy, with his spade and wheelbarrow, was the main method of earth-moving, but a wide range of other skills was needed. Carpenters were required to work the timber for the jetty, and build any temporary construction the railway needed. Miners and quarrymen were either blasting their way through a cutting or winning stone for ballast. Supplying railway sleepers required significant effort. While detailed records of Millar's timber cutting have not survived, Andre Brett in his discussion on the impact of railway construction on Victoria's timber reserves, quotes an average of 2500 sleepers per mile of track.[28] At the Albany end of the line, the contractors sourced their sleepers from the karri forests around Torbay. Construction from the Beverley end sourced jarrah sleepers from the various mills in the Darling Ranges, along the Perth to York

[28] Andre Brett, "Railways and the Exploitation of Victoria's Forests, 1880s-1920s," *Australian Economic History Review* 59 (2019): 164, https://doi.org/10.1111/aehr.12158.

Figure 14: Railway construction in 1911. Laying sleepers over a formation that has required little preparation. To the rear of the wagon, men are securing temporary rail to the sleepers, while in the far distance a locomotive waits. Source: State Library of Western Australia 013933PD

railway. The company elected to negotiate the supply of rails, rolling stock and other operating equipment from London, where they could deal directly with suppliers. As construction progressed, Millar's activities split into four groups. Two were stationary, one building the jetty, the other milling sleepers at Torbay. The other two were more mobile, moving with construction: one working from Beverley south and the other from Albany north.

By July 1887, clearing gangs had reached Kendenup (47 miles), formation work was approaching Mount Barker (37 miles), and the track laid to the 27-mile peg.[29] In the north, rail extended 17 miles from Beverley station with the earthworks (formation) completed for about 50 miles.[30] The progress prompted a discussion between the

[29] "News and notes," *West Australian* (Perth, Western Australia), 12 August 1887.
[30] "Beverley South," *West Australian* (Perth, Western Australia), 2 August 1887.

contractors and general manager as to the possibility of earlier completion of the project, if the clause in the contract, requiring simultaneous work from both ends, could be modified. To finish in 1888, the contractors proposed to complete the formation work as per the contract but wished to move the track meeting point 50 miles north of the midpoint. This proposal was put forward by Young and would have provided the colony with its railway six months earlier. But the Legislative Council were not in the mood to make any concessions and the proposal was withdrawn. Commercial aspects probably influenced this decision, although the company's hard line on the immigration program would not have helped. Shifting the meeting point 50 miles north meant that Millars could supply an extra 125,000 sleepers from their mills rather than purchase them from the mills owned by Perth interests. Attempts to accelerate the program having failed, the work continued as planned. By February 1888, clearing gangs were on the verge of meeting 120 miles from Albany, and by August the railheads were close enough to replace the overland mail coach. By December, the deep-water jetty and all the earthworks were completed with the rails only a few miles apart.[31]

Construction Camps

In the 1880s, the construction of railways was labour intensive, employing, at times, as many as 500 workers over relatively short distances. The economic impact on local businesses was significant, if somewhat temporary. In remote areas, the employer had to provide life essentials to the workers and their families. Life essentials were more than food and accommodation. Ministers of religion and medical practitioners were employed to care for soul and body, while provision was made for the education of the young. Some contingents heading to foreign shores included missionaries among their staff. [32]

For the team tasked with construction southwards from Beverley, a camp structure was needed to house the workers as they arrived. The *Eastern Districts Chronicle* of 16 October 1886 noted that J.H. Monger of York was to have the supply

[31] C.E. Ralph, *Chronology of the Great Southern Railway* Appendix B of author's *History of the Great Southern Railway*, Education Department, 1955, State Library of Western Australia.
[32] Cooke, *The Grand Crimean Central Railway*, 27.

contract for the construction gangs.[33] Monger employed C. Broun of Roesland Farm as the camp store manager. Roesland Farm is located on the path of the railway immediately south of Beverley.[34] Limited local infrastructure meant the workers had to be supported in a series of bush-camps as the line progressed. Information about the construction camps is sparse. Jesse Broun's record can be confirmed from local history records, but the camps of the crews working north from Albany are harder to find. Albany court records list the deaths of three infants, children of railway workers at three different locations during the construction phase suggesting possible married campsites. Much more work is needed to identify the camp locations.

The way the camps were organised and moved along with a glimpse of daily life is provided by the transcript of an oral record held by the Beverley historical society. Jesse Broun was the 12-year-old daughter of the camp store manager and in 1947 recorded her memories in a brief oral interview:

> Roesland, Beverley, where my father was living, was the first camp. From there to Mile Pool, Brookton; Pingelly for only three weeks and then the Pingelly side of Hotham Bridge, near the apple orchard of Boyles(?). That was our largest camp of married people--- about 500.
>
> My brother made the camp into a horseshoe and we called the camp "Happy Valley". They cut down a large white gum in the centre of the shoe and that was our church—3 services every Sunday as well as Sunday School, (day school as well). The Ministers were two denominations, Church of England and Methodist.[35]

A study of immigrant shipping notices suggests that the family camp of 500 represented a workforce of approximately 150 men and 350 wives and children which is consistent with Hallas's 1871 figure of 4.7 for a family size multiplier used in her

[33] "News and Notes" *Eastern Districts Chronicle* (York, Western Australia) 16 October 1886, 3.
[34] Roesland Farm was named to honour John Septimus Roe WA's first Surveyor-general. See Lesley A. Lane and Florence C. Wilkes, *The pioneers of Mourambine, including a brief history of the townsite, 1842-1924* (Perth, W.A.: L.A. Lane, 2000), Local History.
[35] Transcript of part of an oral record made in 1947 by Jesse Sewell, held by the Beverley Historical Society.

Wensleydale article.[36] Jesse records that single men occupied a separate camp which the store serviced weekly. Local newspapers and local histories provide some corroborating evidence of Jesse's recollection. Jesse also referenced locations to towns that did not exist until after the railway was built. The tone of the transcript is one of happy reminiscence which contrasts with the report of the burial of unnamed infant children of railway construction workers in the Mourambine cemetery.[37] Merle Bignell paints a different picture of the camp established at Boyerine, referring to a mixed population of married and single workers, police attendance to drunken and riotous behaviour and the births and some deaths of children.[38] The story of these camps warrants a more detailed study than can be provided here.

Two ceremonies traditionally celebrate the transition of a railway from construction to operation. The first, a ‘driving the last spike” ceremony, was held at the mid-point north of Katanning on 14 February 1889. In the absence of the governor, this was a relatively low-key affair enlivened only by a sweeping condemnation of Lance De Hamel, the mayor of Albany, by the chairman of the West Australian Land Company, Thomas Powell.[39] The last-spike ceremony meant that Albany was now linked to Perth by rail, but it took until 1 June 1889 before the line was officially opened. At this event, it was Forrest who struck a discordant note by restating his belief that governments were better suited to development than private companies.[40]

[36] Hallas, "The Social and Economic Impact of a Rural Railway: The Wensleydale Line," 31.
[37] Lane and Wilkes, *The pioneers of Mourambine, including a brief history of the townsite, 1842-1924*.
[38] Merle Bignell, *A Place to Meet: A History of the Shire of Katanning Western Australia* (Nedlands Western Australia: University of Western Australia Press, 1981), 55.
[39] Donald S. Garden, *Albany: a panorama of the Sound from 1827* (West Melbourne, Vic: Thomas Nelson (Australia), 1977), 209-10.
[40] “Opening of the Great Southern Railway” *The West Australian* (Perth) Monday 3 June 1889, 3.

GOVERNMENT GAZETTE.

GREAT SOUTHERN RAILWAY.

TIME TABLE.

ON and after Monday, the 3rd June, 1889, Trains to and from the undermentioned Stations will run as follows:—

DOWN-WEEK DAYS

Miles	STATIONS		1 Mixed Thursdays Excepted	3 Mixed Thursdays Only
			A.M.	A.M.
	Jetty			
1½	ALBANY	dep	8 30	6 20
12½	Marbellup*	dep	9 1	6 49
28¼	Hay River*	dep	9 50	7 36
39½	MOUNT BARKER	arr	10 39	8 25
		dep	10 49	8 35
52	Kendenup*	dep	11 32	9 18
61¼	Round Swamp*	dep	12 0	9 46
			P.M.	
67½	CRANBROOK	arr	12 15	10 1
		dep	12 25	10 11
74½	Pootenup*	dep	12 43	10 29
89	Tambellup*	dep	1 20	11 6
104¼	BROOMEHILL *(for Ettakup)*	arr	2 5	11 51
				P.M.
		dep	2 15	12 1
116½	KATANNING *(Refreshment Room)*	arr	2 44	12 30
		dep	3 14	1 0
129½	Round Pool*	dep	3 50	1 36
140½	Lime Lake*	dep	4 18	2 4
148¾	WAGIN LAKE *(for the Arthur)*	arr	4 38	2 24
		dep	4 48	2 34
159¼	Buchanan River*	dep	5 22	3 8
169¼	Arthur River*	dep	5 49	3 35
179½	NARROGIN *(for the Williams)*	arr	6 18	4 4
		dep	6 26	4 12
188½	Cubballing Pool*	dep	7 4	4 50
200½	Popanying Pool*	dep	7 35	5 21
211¼	PINGELLY *(for Mourambine)*	arr	8 0	5 46
		dep	8 10	5 56
223	Brookton*	dep	8 41	6 27
235	Mount Kokeby*	dep	9 11	6 57
243	BEVERLEY	arr	9 30	7 16

Perth Time will be kept at all Stations.
Passengers to and from Eastern Railway change Carriages at Beverley.

UP-WEEK DAYS

Miles	STATIONS		2 Mixed Thursdays Excepted	4 Mixed Thursdays Only
			A.M.	A.M.
	BEVERLEY	dep	8 0	6 0
7¼	Mount Kokeby*	dep	8 22	6 21
19½	Brookton*	dep	8 55	6 51
31¾	PINGELLY *(for Mourambine)*	arr	9 27	7 22
		dep	9 37	7 32
42½	Popanying Pool*	dep	10 6	8 2
54½	Cubballing Pool*	dep	10 39	8 34
63½	NARROGIN *(for the Williams)*	arr	11 15	9 4
		dep	11 23	9 14
73¼	Arthur River*	dep	11 48	9 40
			P.M.	
83¾	Buchanan River*	dep	12 15	10 7
94¼	WAGIN LAKE *(for the Arthur)*	arr	12 40	10 34
		dep	12 50	10 44
102½	Lime Lake*	dep	1 12	11 6
113½	Round Pool*	dep	1 43	11 34
				P.M.
126½	KATANNING *(Refreshment Room)*	arr	2 22	12 8
		dep	2 52	12 38
138¾	BROOMEHILL *(for Ettakup)*	arr	3 29	1 7
		dep	3 39	1 17
154	Tambellup*	dep	4 20	1 55
168½	Pootenup*	dep	5 0	2 32
175	CRANBROOK	arr	5 20	2 48
		dep	5 30	2 58
181¼	Round Swamp*	dep	5 54	3 15
191	Kendenup*	dep	6 23	3 40
203½	MOUNT BARKER	arr	7 5	4 13
		dep	7 15	4 23
214¾	Hay River*	dep	7 44	4 52
230½	Marbellup*	dep	8 24	5 32
241½	ALBANY	arr	9 0	6 0
243	Jetty	arr		

*Trains will only stop when required to pick up or set down Passengers at Stations marked thus *
Passengers desiring to alight must give notice to the Guard at the previous Stopping Station.

Figure 15: Great Southern Railway, Albany to Beverley Timetable, 1889. Source: Government Gazette, (Perth, Western Australia), 30 May 1889.

Railway Operations

The *Government Gazette* published a timetable on Thursday 30 May 1889 (Figure 15). This timetable met the contract requirements, but it was not long before complaints arose, as an overnight stop at Beverley was mandatory under this schedule. While the arrangements avoided the delays associated with gauge differences as happened in other colonies, complaints of delayed and lost goods soon surfaced. Particularly unhappy was the Postmaster-general as the mails were delayed overnight at Beverley. Neither railway was willing to run at night, but the delay to the mail was so important, that the Legislative Council appointed a select committee to investigate the matter. As a compromise, the Great Southern Railway agreed to run a night special whenever the English mails arrived, in return for permission to reduce its service to three trains per week.[41] The railway took time to settle into an efficient

[41] "Train Arrangements, E. AND G. S. Railways," *Western Mail* (Perth), Saturday 30 November 1889, 14.

routine and was subject to criticism, although many of the complaints originated from delays at the transhipment point at Beverley.

By February 1890, the Great Southern Railway reported operating with 10 locomotives, 11 passenger coaches, and 135 freight vehicles. Revenue averaged £750 per week and was ahead of operating expenses. Operating profit for the eight months was £247.[42] Limiting reports to the good news was a regular practice of the company. Dividing the profit by the eight months reduces it to around £30 a month or a pound a day. Nothing for shareholders or creditors to become excited about. In fairness, the railway was still in an embryo stage of its development, refining its operations, building its equipment, and developing its market. An increase in railway earnings now depended on an increase in settlement along the line, which in turn depended on the sale of company land.

From the government's perspective, the land-grant system had achieved the primary aim of linking Perth to Albany. The railway reduced the cost of transporting farm produce to market and made easier access for prospective settlers, but in Forrest's view, the Land Company " had only just commenced the great work they had undertaken. The development of the lands which had been granted to the company".[43] The soon to be premier didn't think the job was finished.

Immigration

The colonial government of the 1880s expected railway construction to create a demand for labour which they hoped would attract permanent immigrants rather than itinerant railway workers. As this ambition coincided with Hordern's plans for the colony, a clause in the original contract required the company to introduce a set number of immigrants each year. A comprehensive study of immigration to Western Australia is beyond the scope of this study; however, some elements are relevant to the story of the Great Southern Railway. With the completion of the railway, attention turns to the government's secondary objective, which was to promote the growth of

[42] John Bird, *Round Pool to Woodanilling: A History of the Shire of Woodanilling, Western Australia* (Woodanilling Shire Council, 1986), 84.
[43] "Opening of the Great Southern Railway" *The West Australian* (Perth) Monday 3 June 1889, 3.

the colony through agriculture and immigration. Appleyard, in *Western Australia: Economic and Demographic Growth 1850 to 1914*, provided population and migration figures that suggest the colony's population grew from 31,016 in 1882 to 45,660 in 1889 when the railway was opened.[44] Appleyard overlooks this increase, leaving it unexplained, focussing instead on the period from 1890 and the subsequent gold discoveries.[45] One explanation is offered by railway construction which was a feature of the years 1882 to 1889. In 1883 there were 54 miles of government railways with a further 70 miles under construction.[46] Two years later Forrest reported 124 miles of government railway with 20 miles under construction and tenders called for a further 65 miles. The contract for the Great Southern land-grant railway was expected to add 230 miles.[47] Railway construction was labour intensive and provided employment to immigrants.

In response to seasonal shortages of labour, and the slow development of agriculture, the government established a scheme to assist migrants by subsidising some of the costs. Forrest records that in 1883, £5,500 was spent on the government scheme.[48] In the *Leeds Times* on 26 January 1884, there appeared a small advertisement under Shipping Notices which declared "WESTERN AUSTRALIA—A NEW FIELD for EMIGRANTS".[49] In *Notes on Western Australia, with statistics for the year 1885*, Forrest reported that 381 immigrants were introduced through the government's immigration scheme, at a cost to the government of £5,826 (or, £15 per head).[50] Forrest was definite, that "what is wanted is a class of immigrants ready and able to undertake the improvement and cultivation of the soil".[51]

Horden's proposal for the Great Southern Railway included plans to introduce settlers to the region, and resulted in immigration clauses embedded within the contract that specified the number, rate of immigrants and cost to the government. The

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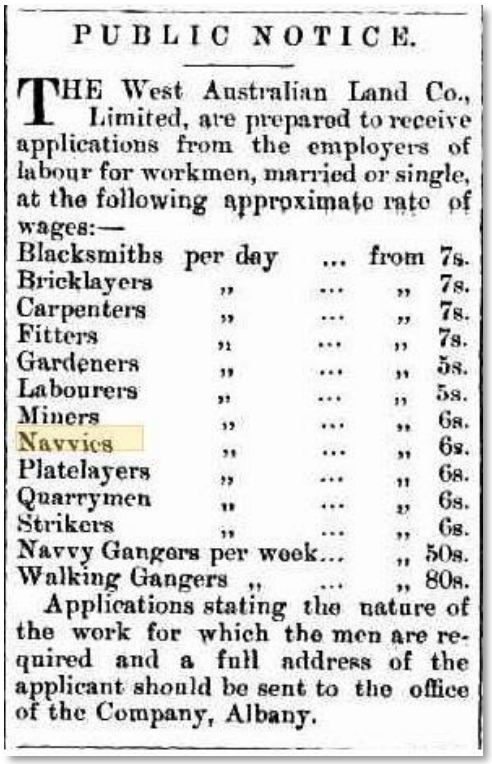
[44] R T Appleyard, "Western Australia: Economic and demographic growth 1850-1914," in *A New History of Western Australia*, ed. Charles Thomas Stannage (Nedlands, Western Australia: University of Western Australia Press, 1981), 234.
[45] Appleyard, "Western Australia: Economic and demographic growth 1850-1914," 211.
[46] Forrest, *Notes on Western Australia, with statistics for the year 1883*, 9.
[47] John Forrest, *Notes on Western Australia, with statistics for the year 1885* (Perth: Richard Pether, Govt. Printer, 1886), 16,17. http://nla.gov.au/nla.obj-365239218.
[48] Forrest, *Notes on Western Australia, with statistics for the year 1883*, 10.
[49] "Shipping Notices" *Leeds Times* (Leeds, England) Saturday 26 January 1884, 1.
[50] Forrest, *Notes on Western Australia, with statistics for the year 1885*, 18.
[51] Forrest, *Notes on Western Australia, with statistics for the year 1885*, 7.



PUBLIC NOTICE.

THE West Australian Land Co., Limited, are prepared to receive applications from the employers of labour for workmen, married or single, at the following approximate rate of wages:—

Blacksmiths	per day	... from	7s.
Bricklayers	,,	... ,,	7s.
Carpenters	,,	... ,,	7s.
Fitters	,,	... ,,	7s.
Gardeners	,,	... ,,	5s.
Labourers	,,	... ,,	5s.
Miners	,,	... ,,	6s.
Navvies	,,	... ,,	6s.
Platelayers	,,	... ,,	6s.
Quarrymen	,,	... ,,	6s.
Strikers	,,	... ,,	6s.
Navvy Gangers	per week...	,,	50s.
Walking Gangers	,,	... ,,	80s.

Applications stating the nature of the work for which the men are required and a full address of the applicant should be sent to the office of the Company, Albany.

Figure 16: 'Positions vacant, Western Australian Land Company, including wage rates', Albany Mail and King George's Sound Advertiser, (Albany) 25 December 1896, 2.

contract did not, however, specify any conditions Hordern's company had to meet after the arrival of those immigrants. Hordern's offer of £10 per head compared favourably with the £15 per head cost of the government's scheme. [52] The Land Company became obligated under clause 45 of the contract to introduce 5000 immigrants at a rate of not less than 900 in any year.[53]

A clearer understanding of the expectations of the Legislative Council can be found in the debate over sub-clause 50 (e) in the contract, which permitted the company to select 6000 acres at each end of the line immediately on commencement of work. Expressed in the debate was the expectation that the company would begin to settle migrants onto land at the start of their contract.[54] Kimberly attributed the idea of the immediate settlement of migrants to a proposal from Hordern.[55]

This expectation of immediate settlement sits on the unrealistic side of optimistic. Statham's study of earlier settlement demonstrated that "land clearance and cultivation was difficult and expensive".[56] In Albany the town's hinterland has been ominously described as "only bent to the hand of man and been rendered productive after years of struggle and failure".[57] At the Beverley end, the extension of settlement to Mourambine occupied the better land.[58] Land quality aside, it was unrealistic to

[52] See Clauses 45 and 46 in Papers relating to the Construction by Mr A. Hordern of a Land Grant Railway between Beverley and Albany, Short.
[53] Papers relating to the Construction by Mr A. Hordern of a Land Grant Railway between Beverley and Albany, Short.
[54] Western Australia, *Parliamentary Debates*, Legislative Council, 1 September 1884, 310.
[55] Kimberly, *History of West Australia : a narrative of her past together with biographies of her leading men / compiled by W.B. Kimberly*, 263.
[56] Statham, "Swan River Colony 1829-1850," 190.
[57] Garden, *Albany: a panorama of the Sound from 1827*, 3.
[58] Lane and Wilkes, *The pioneers of Mourambine, including a brief history of the townsite, 1842-1924*.

expect a company formed to build a railway to devote energy and resources to settling immigrants on farms in the early stages of railway construction.

As Figure 16 indicates, railway construction was labour-intensive and expensive. The traditional source of this labour was the navvy, an itinerant labourer capable of much hard work and with a reputation to match. As advertised pay rates indicate, navvies were valued workers. Millars brought some with them from Melbourne and others became available on completion of the colony's York to Beverley railway. Railway construction usually created a steady demand for labour throughout the life of a project, in contrast to the seasonal fluctuations of agriculture.

Fluctuations in the demand for labour had bedevilled immigration plans for many years. Appleyard provided a table of annual population figures which show negative growth from immigration for the five years prior to 1883.[59] The response of some in the Legislative Council was to blame the Crown agents responsible for the selection of migrants. When pressed to define a suitable immigrant, the answer was "The man who, when he arrives here, can go to work and earn his own living."[60] Until the arrival of the railways, regular work was scarce causing some migrants to move on to the eastern colonies.

The flow began to reverse in the mid-1880s. Forrest refers to this change in his 1886 *Notes on Western Australia*, in which he notes the population as 35,186 with an increase in 1885, from all sources of 2,228, attributing more than half of the increase to a "tide of immigration from South Australia of over 100 persons a month."[61] While the gold discoveries would comprise part of this tide, there was a gradual build-up of workers associated with the railway.

Railway construction and the early gold discoveries reversed the pattern in the years from 1884 to 1887, when net immigration saw a total of 10,000 people added to the colony's population. Gold brought some, as prospectors followed the news of the Kimberley and Yilgarn discoveries. Some arrived as skilled workers: in addition to the Great Southern Railway, work had also commenced on the Guildford to Walkaway

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[59] See Appendix 1 Appleyard, "Western Australia: Economic and demographic growth 1850-1914," 233-34.
[60] Western Australia, *Parliamentary Debates*, Legislative Council, 10 August 1887, 372, (William Loton)

[61] Forrest, *Notes on Western Australia, with statistics for the year 1885*, 7.

line, while the government's eastern line was extended to Northam and Newcastle (Toodyay).

The following is a representative snapshot of the migration process prompted by the prospect of work on the Great Southern Railway. British readers of the *East Anglican Daily Times* will have noted an article on 19 February 1887 that promoted a migration scheme from Ipswich to Western Australia:

> firstly because its Government through the West Australian Land Company, contributes £10 towards the passage money of each statutory adult accepted by them: and, secondly, because the West Australian Land Company undertakes to give the emigrants going out under their auspices, a preferential right to employment in the construction of their new railway line from Beverley to Albany.[62]

The proprietors of this scheme selected eight families for sponsorship, including 16 adults and 14 children. The group held two bricklayers, a carpenter, a smith, a boilermaker and three labourers. Sponsorship included the purchase of outfits, assistance with fares and passage money and a small amount of pocket money—about £5 per family. This group were part of a contingent destined to work on the Great Southern Railway that reached Fremantle on the *Elderslie* on 30 December 1886. News that the West Australian Land Company was still seeking migrants prompted the organisation of a second party of Ipswich families, this time with 28 children and a more comprehensive collection of trades, which arrived with others on the *Chollerton* on 23 March 1887.[63]

The *Elderslie* carried over two hundred immigrants, of whom approximately 100 disembarked in Fremantle. The rest were sent to Albany. The *Chollerton* carried nearly 400 passengers, of whom about one third disembarked at Fremantle and the rest at Albany. The arrival of so many immigrants stressed the colony's quarantine and

[62] "The Ipswich Immigration Scheme" *The East Anglican Daily Times* (Suffolk, England) 19 February1887, 7.
[63] "Arrival of the *Chollerton*" *Daily News* (Perth Western Australia) 25 March 1887, 3.

reception facilities, which were inadequate and much criticised. Families who disembarked at Fremantle were moved by rail to Beverley, where they joined Millar's workforce building the line from there. The remainder, containing a higher proportion of single men, travelled on to Albany where Millar's employment operations were more widely spread.

The opportunity for good wages was tempting. In her discussion of Britain's Wensleydale line, Hallas references an average annual wage of £18. At the daily rates of pay offered by the Great Southern Railway, a labourer could earn up to £78 in a year, provided the work lasted, and more experienced navvies could earn considerably more. London-based immigration agents had no difficulty in recruiting. The Land Company's scheme operated in addition to government immigration schemes. By 1887 railway employment opportunities had begun to shrink. The Kimberley goldfields had proved disappointing and the Yilgarn and Pilbara had yet to create excitement. With its regular shipping connections to the eastern colonies, Albany presented an opportunity for the dissatisfied to travel to where prospects may have appeared brighter. When the Land Company was criticised for bringing too many immigrants, or the wrong type, they referred the critics to the contract. By 1888 an agreement was reached between the government and the Land Company to cancel the clause.

It is difficult to agree with Roberts' assertion that the Land Company "failed in its immigration schemes".[64] The difficulty over the immigration contract arose from the initial euphoria that surrounded the project. The Legislative Council, aided and abetted by Hordern, dreamed of a railway that would create instant farms populated by migrants. The immigration scheme was imposed upon the Land Company as part of the land-grant contract, but did not specify any role for the immigrants. The Legislative Council may have thought they would be farmers, but the Land Company needed navvies to build the railway.

In reply to questions in the Legislative Council, it was stated that to 4 July 1887, the Land Company had introduced 1,165 immigrants. A number of these were reputed to have left the colony but no official figure of their emigration was available. At that

[64] Roberts, *History of Australian Land Settlement, 1788-1920,* 403.

time, ten workmen were unemployed.[65] According to Forrest, the immigration clauses of the contract had lacked safeguards for the government, but his concerns had been overruled by the Legislative Council and Broome in their haste to sign the contract.[66] The result was therefore not a failure on the part of the company, but the result of poor decision making on the part of Broome and his government.

The company manager, S.S. Young, revealed the government's naivety in a short letter published on 12 August 1887.[67] Young defended the quality of the working men they had imported, who were willing workers and suitable colonists. But, he pointed out, they lacked resources to buy and clear land, and establish a first crop, which meant that many would struggle to become farmers. The company had more success recruiting farmers from South Australia. Merle Bignell identified a number of families in the Katanning-Broomehill area who brought with them sufficient capital and experience to overcome the initial difficulties and establish prosperous farms.[68]

Economic Impact

The Great Southern Railway between Beverley and Albany was Western Australia's first major private development. The construction and operation of the railway caused many changes to the colony. As hoped by the land-grant scheme's proponents, the most significant changes occurred in the region through which the railway was built. In 1882, when Forrest surveyed the strip of land 40 miles wide along the proposed route, he estimated there were 250 individuals who "manage to make a fair living" in the area.[69] Nearly ten years later, in 1890, a crowd of "two to three hundred people" was reported to have gathered at the new town of Katanning to watch a cricket match, suggesting pockets of population growth around emerging railway towns.[70]

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[65] *Western Australia, Parliamentary Debates*, Legislative Council, 4 July 1887, 66 (Sir Malcolm Fraser).
[66] See Hensman's speech to the Legislative Council reported in "Legislative Council. Wednesday, June 2" 9" *The West Australian*, 1 July 1887, 3.
[67] Stanford S. Young, "The Land Company and its Immigrants," Letter to Editor, *West Australian* (Perth), 12 August 1887 1887, 3.
[68] Bignell, *A Place to Meet: A History of the Shire of Katanning Western Australia*, 92.
[69] "Proposed Railway between Beverley and Albany" *The Inquirer and Commercial News* (Perth, WA) 1 Mar 1882, 5.
[70] Bignell, *A Place to Meet: A History of the Shire of Katanning Western Australia*, 83.

The first phase of construction presented as a boom in the economy as money was spent, employment increased and the population grew. This caused an increase in the prices of food and accommodation but was compensated by increased local employment. Albany gained the most as the supply centre for three of the construction teams, with newspaper reports suggesting the company's local payroll was approximately £2,000.[71] Albany businesses, already accustomed to supply shipping, were able to service most requirements of the railway construction team, though the company's northern team appear to have been better resourced. A short booklet produced by the Broomehill Historical Society summarised the way local farmers supplied the construction crews:

> C & F Piesse built portable stores and followed the gangs southwards and Hugh and Robert Climie accompanied the northbound gangs. Thomas Norrish made frequent trips to the various camps along the line during 1888, selling fresh mutton, pork, dry rations and other goods. Patrick Garrity and Patrick Carmody also took stores to the line. At one time, Mrs Norrish arranged with Major Young to provide fresh bread for the men, and baked 200 loaves a week for several weeks.[72]

The residents of Mourambine, the little settlement about 30 miles south-south-east of Beverley, were quite happy to see the railway pass eight miles to the west. Lane, in her history of the town, recorded how the railway provided work for the locals, transporting goods and digging wells, which was a useful boost to the town.[73]

The presence of large numbers of construction workers stimulated the existing agricultural economy by creating a local demand for food and fodder, but did little beyond this to expand farming. Although the Legislative Council may have hoped that the workers would become settlers, by their own rules, land was not available until the railway was built. Immigrants, who worked on construction, became familiar with the

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[71] "The Mail" *Albany Mail and King George's Sound Advertiser* (Albany, WA) 1 December 1886, 2.
[72] *Broome Hill and the Great Southern Railway*, (Broomehill, WA: Broomehill Historical Society, 2003).
[73] Lane and Wilkes, *The pioneers of Mourambine, including a brief history of the townsite, 1842-1924*.

country, but could not transition from worker to farmer without money to see them over the waiting period. None of the camps, with the exception of Millar's timber mill at Torbay, formed the nucleus of a new town. When the construction passed, it was railway operating staff who formed the nucleus of new towns.

Much of the economic benefit from railway construction flowed through to South Australia, the usual source of much of the colony's food. More permanent was the establishment of company railway workshops in Albany and the timber industry at Torbay, to town's west. Criticism of the company's immigrant scheme masked the fact that many of the British immigrants who worked on railway construction stayed in the colony, as did a number from South Australia. The European population of Albany's rural hinterland went from 619 to 1498. Millars sleeper-cutting mill at Torbay accounted for 200 of this increase with the railway line maintenance staff a further 100.[74]

The shift from construction to operations meant a reduction in the population along the line as the construction camps closed. Paradoxically this change brought the scheme closer to the goal of permanent settlement. The railway was a commercial business spread over 230 miles that employed a large number of staff with a wide range of skills. Hylton notes that by 1860 in the United Kingdom "the railways would employ as many accountants and cashiers as engineers".[75] The employment records of the Great Southern Railway have not survived, however a photograph taken around 1896 of the station staff at Wagin shows ten employees, which is likely to have been repeated in major towns along the line.[76] When additional staff are added for the workshops at Albany and the control of freight operations at the jetty, the number of people working the railway probably exceeded 200.

Railway maintenance gangs were stationed along the line at intervals of about 15 kilometres, and some of these locations later developed into small towns (though

[74] Arnold, *A journey travelled*, 266.
[75] Hylton, *The Grand Experiment, The Birth of the Railway Age 1820 - 1845*, 176.
[76] Austin, *Station Masters of Western Australia*, 132.

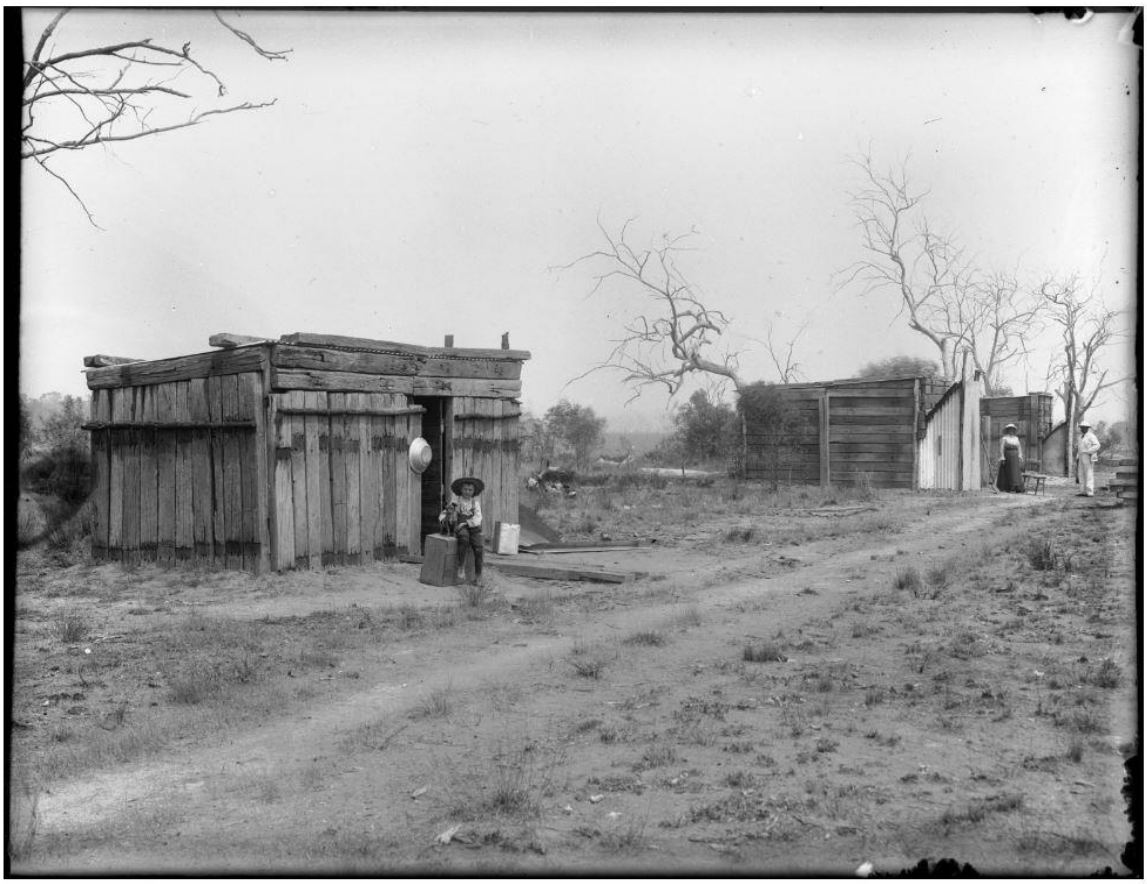

Figure 17: Gangers huts at Youraling, 5km north of Brookton. A gang would have been located here once construction had passed, probably around 1887. The use of local materials in the construction of the huts, such as railway sleepers, is typical. Workers camps provided opportunity for line maintenance and, though not this one at Youraling, occasionally grew into small towns. Source: State Library of Western Australia Call No.5323B/387

not soon enough to be of benefit to the company).[77] Many towns survived through their early years on the presence of railway staff, who formed the nucleus of these towns and whose wages provided a steady source of cash for the local economy. Station masters were appointed to Pingelly, Narrogin, Wagin, Katanning, Broomehill and Mount Barker, while John T. Short, recruited from South Australian Railways, held the dual role of station master and traffic manager in Albany. On the purchase of the railway by the government in 1897, all staff were transferred at the same level to the

[77] The rise and fall of the smaller towns can be traced through local histories and the Landgate website "Town Names," Landgate, accessed 16 November 2019, https://www0.landgate.wa.gov.au/maps-and-imagery/wa-geographic-names/name-history.

government system. John Short later rose to be Commissioner of the Western Australian Government Railways in 1908.[78]

The railway reduced the isolation of regional communities. With a daily train in each direction, those who were there before the railway found it changed their world. A visit to Perth was now an overnight trip instead of a six- or seven-day expedition.[79] Social interaction up and down the line became commonplace. Broome Hill held its first Agricultural Show in November 1891 with reports indicating an attendance of around 1000 people.[80] Living and working conditions in some small towns were tough, as a photograph of worker's accommodation in Youraling demonstrates (Figure 17). The ability to be connected with other communities by rail was therefore hugely important.

The construction of the railway had boosted economic activity including food production along the line. The railway acted as an accelerant to existing farm investments by linking farm to market but could do little more than provide the base infrastructure for new agricultural development. As John Forrest remarked in a pre-election speech in Bunbury, "the building of a railway will not make the land more fertile".[81] Embryonic towns had been located along the railway, providing a skeleton for the infrastructure that was to develop the region. These towns were essential to creating the railway's market and focussing its operations, with the expectation that each town would become the nucleus of agricultural development in its district.

Company Towns

A company prospectus issued in 1890 advised the selection of new townsites at "Lakeside, Mount Barker, Cranbrook, Broomehill, Katanning, Wagin, Narrogin and Pingelly".[82] Much was made of Lakeside, west of Albany, with the announcements of large land sales to wealthy London investors, though the settlement did not prosper.

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[78] Detail from Austin, *Station Masters of Western Australia*.
[79] Bridget Grover's record of a pre-railway family trip from Eticup to Perth in 1885 is detailed in Bignell, *A Place to Meet: A History of the Shire of Katanning Western Australia*, 50.
[80] "The Broome Hill Agricultural Show," *West Australian* (Perth), Wednesday 18 November 1891, 5.
[81] "The Hon. John Forrest's Address to the Bunbury Electors," *Daily News* (Perth), 22 November 1890., 3.
[82] *The West Australian Land Company, Limited (Great Southern Railway of Western Australia.): descriptive prospectus of company's land*, (Perth: West Australian Land Company, 1890), 4.

The Piesse Brothers were among the first to realise the effect the railway was going to have on their business. With stores at Williams and Arthur River, their livelihood depended on their location on the main road between Perth and Albany. The construction of the railway well to the east of this road meant that these towns would lose importance especially as government services such as police and the postal service moved to the railway. In anticipation, the firm of F & C Piesse purchased town and residential lots in Katanning from the company.

Katanning was one of the six towns established by the Land Company under its contract and being close to the mid-point of the railway line, was a natural site for a reversing triangle. Surrounded by agricultural land, Katanning was expected to become one of the stars of the Land company's developments. The town plan is extensive compared to the other company towns. The plan also reflects the English based director's perceptions of the value of land and how a city should look. Most of the lots are small, and the detail in the top left corner includes building restrictions aimed at better class housing on that part of the town. Note the direction of north as indicated on the map. The date 1889 suggests the plan was prepared to promote the

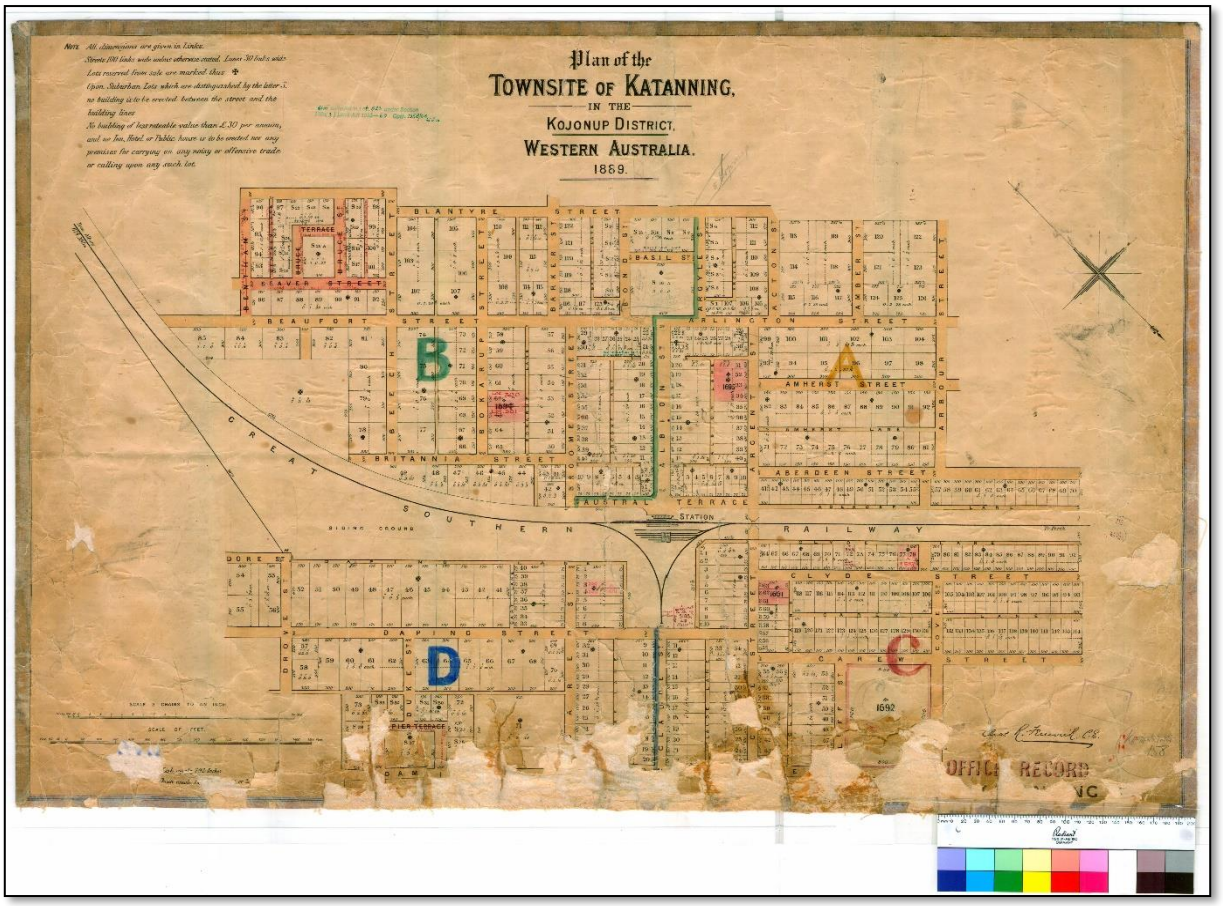

Figure 18: Townsite Plan, Katanning, 1889. Source: State Records Office of Western Australia, 5235 cons3868 215.

sale of town lots at the official opening ceremonies. Some lots were sold, but the expected flow of immigrants did not eventuate. In February 1890 criticism of the Land Company practices received a public airing, particularly by C.A. Piesse whose commercial operations in the town had failed to grow as expected.[83] Piesse's complaints appeared in a letter in the West Australian and in addition to outlining the inadequacies of the company's land sale processes, warned of the competition the company will face when the government lands come onto the market.[84]

Not everyone was a winner from the arrival of the railway. Pastoralists found themselves in uncertain territory if the company selected their leasehold. A number chose to abandon their leases and move to more remote areas. Arnold compared Albany's statistics from the 1881 and 1891 census noting a drop in Aboriginal

[83] Bignell, *A Place to Meet: A History of the Shire of Katanning Western Australia*, 70-73.
[84] C.A. Piesse, "Correspondence. The W.A. Land Company and Their Lands," Letter to editor, *West Australian* (Perth, W.A.), 24 February 1890, 4.

employment from 180 to 140 or about 25%. There was a negative impact on Aboriginal employment opportunities as the demand for shepherds disappeared. Arnold links this with the arrival of settlers whose goal of intense cultivation and sense of land ownership further excluded the original inhabitants.[85]

Chapter Summary

It is clear that both the start-up of the West Australian Land Company and the construction of its Great Southern Railway were successful ventures. Hordern's wealth and contacts were sufficient to raise the required capital for the project, and construction proceeded so efficiently that the railway could have been completed earlier but for the refusal of the Legislative Council to amend certain contract conditions. The most significant engineering challenge involved connecting the railway to Albany's deep-water jetty, but even that was completed successfully.

Five years after the concession to build a railway from Beverley to Albany was granted to Hordern, therefore, one of the colony's most pressing transport problems was resolved: the capital was linked by rail to Albany's port and, therefore, by steamship to other Australian colonies and the rest of the world. Furthermore, the construction of the railway had been funded by private capital on the inducement of land grants. The government had, therefore, ensured the construction of the railway without using any of its own cash reserves. Cash and people flowed into the colony during the construction phase, providing a boost to established farms and businesses. Along the railway there was a slow increase in agricultural settlement underpinned by the economic presence of railway staff. Maintenance and operational staff stationed along the line became the nucleus of future towns. Forrest may have believed that railways were best run by governments, but there was little to criticise with the conduct and operations of the Great Southern Railway.

In addressing my second aim, my research on the roll-out and operation of the Great Southern railway has identified the successful use of a land-grant scheme to finance and construct this essential infrastructure, thus vindicating the government's

[85] Arnold, *A journey travelled*, 253-56.

choice of this method. Yet in less than a decade the company had failed and its assets including the railway were up for sale. In the following chapter, I analyse the political, economic and other circumstances of the 1890s that led to the government's acquisition of the Great Southern Railway, in order that we might consider the degree to which the scheme achieved the government's objectives for the expansion of rail in the colony.

CHAPTER 3:
THE BUY-BACK

With the official opening of the Great Southern Railway in June 1889, the West Australian Land Company had earned the right to claim over three million acres of crown land.[1] This was the high point of the company's fortunes. From the subdivision and sale of this land, the company expected to recoup the capital invested in building the railway, and generate a profit for investors. Yet five years later, in June 1894, the company announced it was unable to meet its interest payments and sought formal protection from its creditors. In January 1897 the government of Western Australia bought the railway and lands of the West Australian Land Company for £1.1 million. These events took place during one of the most significant periods of economic and population growth in the colony's history, set in the context of Western Australian self-governance and the gold rushes.

The financial collapse of the West Australian Land Company

As discussed in the previous chapter, the wealth and contacts of Anthony Hordern were influential in the successful formation of the West Australian Land Company in 1885. The company's initial capitalisation was £100,000 divided as 200 shares of £500 each. At the company's general meeting on 3 May 1886, the shareholding was restructured to 3000 shares of £100 each. By the time of the next meeting, 30 March 1887, these shares had all been issued with one-half called.[2] This raised £150,000 in cash and an equivalent amount of credit, and was sufficient to fund pre-construction work such as the line survey.

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[1] Minor conditions in the contract enabled the company to claim grants in addition to grants for mileage constructed. See R. Cecil Clifton, Department of Lands and Surveys. Report for the Year 1894, (Perth: Government Printer, 1895).

[2] " The West Australian Land Company" *Western Mail* (Perth, Western Australia) 14 May 1887, 33.

Between March 1887 and December 1888, the company raised a further £600,000 by calling the balance of the share price (£150,000), issuing £200,000 of convertible bonds at 5% interest, and selling £250,000 first mortgage debentures also at 5%. Borrowing £450,000 at 5% created an annual interest liability of £22,500, which was considered an acceptable cost to obtain the capital necessary to complete the railway. As the railway neared completion in December 1888 the company's annual balance sheet showed an expenditure of £667,436 and nearly £100,000 in cash or liquid assets—enough to see construction through to completion in February 1889.[3] The same balance sheet shows however, that to December 1888 the company had spent only £14,513 on land surveys, which was an essential preliminary step to the sale of their land. Cash from the sale of land was necessary to maintain financial liquidity and repay the company's debt.

The opening of the railway in 1889 eased the demand on capital expenditure, but introduced operating expenses. Against expectations, the railway showed a small excess of revenue over operating costs from the beginning. This news was announced at a general meeting of shareholders on 29 October 1890, where it was also declared that land sales had enabled the company to reduce its debt by £43,200.[4] Using revenue from land sales to retire debt was an integral step in the land-grant business model, however, the value to the company depended on the form and timing of the repayment. The record does not show if this payment for land was in cash or in the form of debenture retirement. Exchanging land for debentures worth £43,200 reduced the annual interest payments by approximately £2000, an insignificant amount compared to an annual interest bill of about £20000. In cash, £43,200 represented nearly two years' interest on borrowings, and perhaps should have been held to maintain the company's financial liquidity. Even one half of that amount might have saved the company from bankruptcy in 1894.

Concern over the company's financial position was evident at the next general meeting. In his address to the ordinary meeting of shareholders in July 1891, the chairman James Martin spoke of better prospects apart from "one little cloud on the

[3] "The W.A. Land Company" *Daily News* (Perth, Western Australia)21 June 1889, 3.
[4] "The West Australian Land Company" *Western Mail* (Perth, Western Australia) 6 December 1890, 14.

horizon, viz., their want of capital".[5] The chairman identified an industrial strike which had paralysed coastal traffic and fluctuations in the price of coal as negative factors. He nominated the opening of the steam flour mill at Katanning as one of the reasons for his optimistic view of the future. In 1888 the company had been successful in raising capital by issuing debentures at 5%.[6] In search of more capital, the directors went back to the money market in July 1891, offering an interest rate of 8%. The company proposed an issue of £150,000 of £10 preference shares with cumulative interest at 8%.[7] The increase to 8% and the cumulative nature of the shares would have signalled to investors that the company had liquidity problems. This apparently, was once too often, for newspaper reports indicate that despite the higher interest, only £51,450 had been subscribed. A minimum of £75,000 was required to enable the issue to proceed. In July 1891 the company reported that railway revenue had increased by £91 per week. This announcement was to encourage investors as the share offer was in danger of collapsing.[8] Despite the gloomy capital outlook, the optimism of the chairman's speech to shareholders was justified. At its June 1892 meeting, the company reported a profit of £2,423 from railway operations for the year ending December 1891. The growth in traffic recorded in the first quarter of 1892 led the chairman to forecast "that within a very reasonable period the line alone will be earning the debenture interest".[9]

December 1892 was the month when Bayley and Ford announced the discovery of gold at Coolgardie. While the Great Southern Railway was well-positioned to take advantage of the flood of gold seekers, especially those from the eastern colonies, the rush did not show in the company revenue until after 1893. At the next general meeting, delayed until November 1893, the chairman reported that general traffic had failed to grow as expected due to a general depression in the economy, while the operating costs had been inflated by nearly £6000 to replace rotten

[5] "The West Australian Land Company. General meeting of shareholders" *Western Mail* (Perth, Western Australia) 5 September 1891, 19.
[6] "The West Australian Land Company" *The Yorkshire Post and Leeds Intelligencer*, (Leeds , United Kingdom) 24 January 1888, 6.
[7] "The Money Market" *The Yorkshire Post and Leeds Intelligencer*, (Leeds , United Kingdom) 22 July 1891, 7.
[8] "Money market" *Yorkshire Post and Leeds Intelligencer* (Leeds, UK) 22 July 1891, 7.
[9] "The West Australian Land Company: The Directors' Annual Report" *Western Mail* (Perth, Western Australia) 23 July 1892, 11.

sleepers.[10] The general depression had affected land sales, and the prospect of sudden fortune on the goldfields, attracted some who might otherwise have taken up farming. The directors were aware of the benefits likely to flow from the gold discoveries, but were uncertain if they would arrive in time to save the company. The chairman foreshadowed the difficult time ahead when he said, "I am quite certain there is a great future before our company if we can afford to wait long enough, but you know the old saying, 'While the grass is growing the steed is starving'."[11] Seven months later, the company defaulted on interest payments.

By 1896 when Forrest, then Premier, proposed the government's purchase of the railway, he was able to quote estimated revenue to the end of 1896 as being £75,000 with operating expenses at 51% (or £38,250).[12] While an annual profit of around £36,000 was sufficient to pay interest on £1.1 million of government debentures at 3%, it had arrived too late to save the company, which had defaulted on interest payments due in July 1894. The company was wound up on 7 April 1898.[13]

Why, if the railway was successful, did the company fail? The land-grant business model, as implemented in Western Australia, was always at risk of failure unless managed carefully. Financial liquidity was a key issue, both for management of funds to build the railway and to meet interest payments. Until the railway generated

[10] Karri-timber sleepers were found to be susceptible to termite and rot damage unless pre-treated. Jarrah sleepers were not affected. "The West Australian Land Company, Limited: Annual General Meeting of Shareholders" *Western Mail* (Perth, Western Australia) 13 January 1894, 23.
[11] "The West Australian Land Company, Limited: Annual General Meeting of Shareholders" *Western Mail* (Perth, Western Australia) 13 January 1894, 23.
[12] Western Aus*tralia, Parliamentary Debates,* Legislative Assembly, 7 October 1896, 932-34, (Sir John Forrest).
[13] "The West Australian Land Company Limited" *London Gazette* (London) 4 March 1898, 1355.

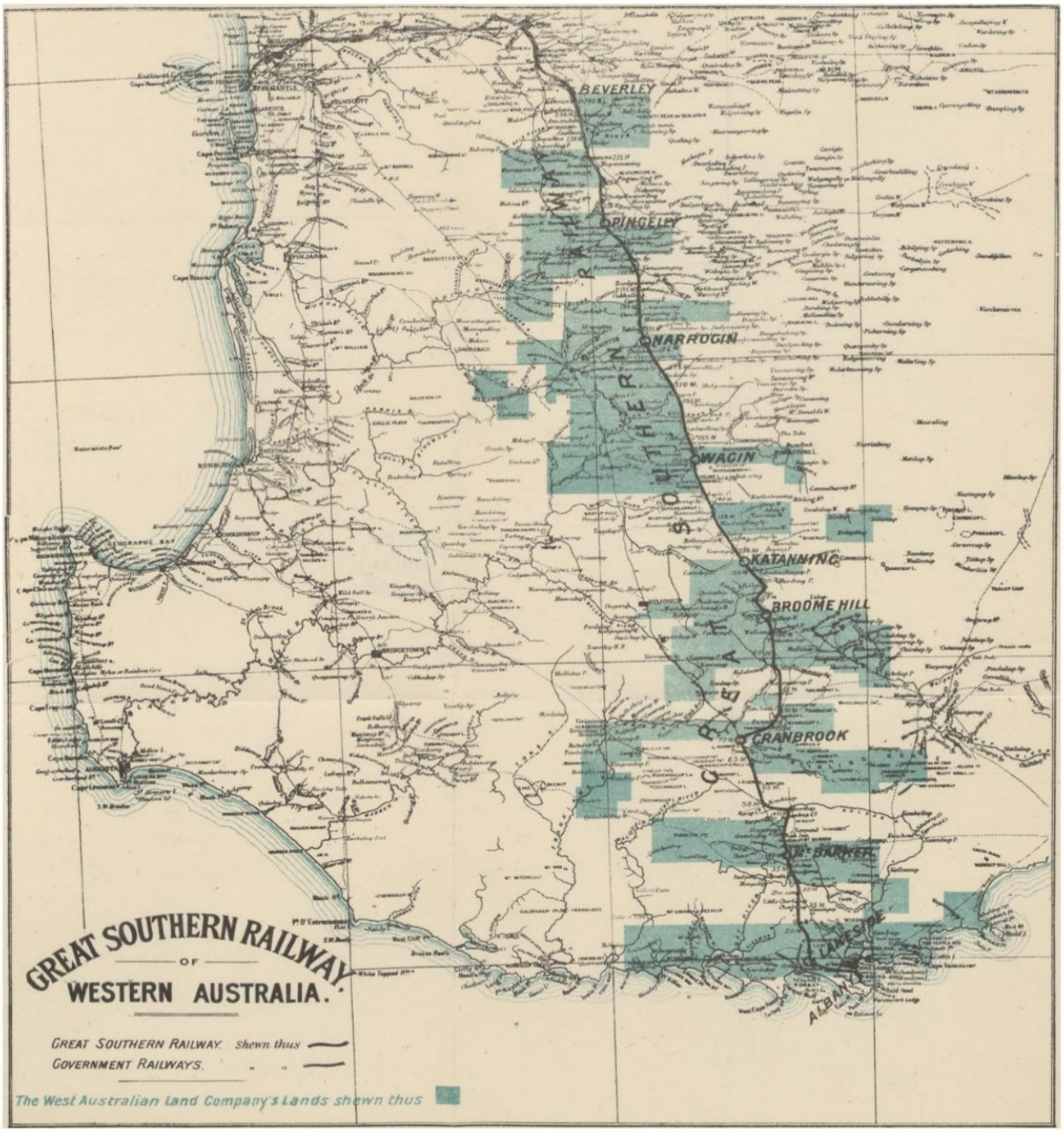

Figure 19: Land Claimed For Building the Great Southern Railway. Source: Philip Mennel, The Coming Colony (Hutchinson, London) 1882, 47.

revenue in excess of operating costs, the sale of land was the company's best source of income, but this was neglected by the railway-focussed directors. Early retirement of debt reduced the company's liquidity, leaving it exposed, when a recession reduced traffic and unexpected costs occurred.

It becomes a valid criticism of the company that it ignored the sale of land until the railway was completed. The three million acres it owned is approximately one-tenth the area of England and should have provided enough relief to ease the company over its looming financial difficulties. The company's London directors had

shown competence in the management of finance and railway construction, but converting the acres of land into cash required different skills, and the departure of Hordern and Angove from the United Kingdom in July 1886 had left the company's London directors short of local knowledge regarding Western Australia.

Was the land granted to the company of sufficient value to recoup the company's expenditure? In the Legislative Council, prior to the signing of Hordern's contract, opinions on the value of the land between Beverley and Albany had varied so much that the government agreed to pay £600 for a survey of the land along the line. John Forrest, then a senior member of the survey department, completed the study, supported by C.D. Price, who examined the southern region. Following the survey, the Legislative Council agreed to a rate of 12,000 acres for each mile of railway constructed. The contract specified conditions governing proximity to the railway and size of blocks but did not restrict the area to be selected. The map at Figure 19 indicates the path of the railway and the lands claimed by the company.

Forrest's report covered a strip of land that was 40 miles wide on a direct line between Beverley and Albany. The figures in his report indicate that only 2.5% of the six million acres in the area was under cultivation, while 57% was held as pastoral leases. Only the area to the east of Kojonup was singled out as particularly suitable for agriculture, although other sites were mentioned. He noted a feature of the area in that the best soil was often on the ridges while the valleys were generally covered by an inferior sandy soil.[14] On a more positive note, Forrest estimated that there were about 250 homesteaders in the region who worked their farms for a modest living. The mixed assessment of the land also appears in a letter written by Arthur Anderson to a fellow passenger to Western Australia, William Free. Anderson was employed as a surveyor by the West Australian Land Company in August 1888 at Beverley. He was critical of the company accepting their land in 12,000 blocks as he assessed that about three-quarters of it would not pay to cultivate.[15]

[14] "The Railway to Albany. Extracts from the Report to the Surveyor General on the examination of the country between Beverley and King George's Sound, by the Deputy Surveyor General." *Herald* (Fremantle, Western Australia) 25 February 1882, 2.
[15] State Library of Western Australia, Arthur Anderson letter, ACC 9063A.

When the company came to claim its land, different interpretations of the contract created conflict and delay. Claims submitted by the company were challenged in detail, based on a strict interpretation of the wording of the contract. The key issue was the company's claim for unalienated crown land within existing townsites. The government challenged the company's claims for unalienated land if it wasn't a continuous parcel or block of land. The company took the matter to the Supreme Court, which decided in favour of the government. The company successfully appealed the decision to the Privy Council in 1892, but the result was not announced until 10 March 1894.[16] The most impact was felt in Albany where the town was benefiting from the flow of migrants to the goldfields. Surveying and claiming its land cost the company time and money. Selling the land proved equally challenging.

The price of land

All parties to the construction of the Great Southern Railway agreed that land had value, but there was little agreement in what that value represented. In 1893 the governor, Sir William Robinson, in consultation with his surveyor-general, Malcolm Fraser, estimated the cost to construct the railway as £880,000, for which they thought 2 million acres was fair compensation.[17] Their estimate, which set an average price of 8 shillings and 10 pence per acre, was influenced by the expectation that the sale of the land would promote a thriving settlement, which in turn would benefit the railway.

In July 1891, the West Australian Land Company issued a progress report, part of which referred to land prices. "The average prices for subsidy lands sold by the Company up to May 29 last have been for new township lands £59/15/4 per acre, for reserved lands adjacent to the railway £7/I/10 per acre, and for rural lands 15/8 per acre."[18] As average prices, these would suggest a prosperous future, but as there was no accompanying information about the number of sales, the report looked good but said little. Forrest had identified the land in the Katanning district as the most suitable

[16] WA Land Company -v- Government of Western Australia. Appeal to Privy Council, London, State Records Office of Western Australia AU WA S211-cons541 1893/1862 v1 & v2.
[17] Correspondence on the Subject of The Construction of Railways on the Land Grant System, Short.
[18] "Money Matters" *The Scotsman*, (Edinburgh, United Kingdom) 24 July 1891,6.

for agriculture, and it was in this area that the Land Company sold most land. However, by the end of 1892, the company had sold less than 8% of all its land.[19]

There were several factors which affected the ability of the company to sell its land. Unlike the prairie land that the United States and Canadian railways opened to settlers, the Western Australian landscape presented a daunting prospect to a prospective farmer. Not even the presence of a railway could turn a selection into a farm in less than three years. The land varied in quality, presenting a dilemma to the selector. The lighter sandy soil was easier to clear, but less suitable for cropping. The better ground promised better crops, but took longer to clear. The directors failed to establish a transparent process for the pricing of land, which created delay and suspicion of the company's practices. While some areas were surveyed by the company and presented for sale, prospective buyers of rural land were permitted to select an area and submit a proposal to purchase, accompanied by a deposit. The subsequent process was slow as the selection had to be confirmed by survey, checked for value, and the claim for title lodged with the Commissioner of Lands. Surveying of land was the company's responsibility, though half the cost was recovered from the purchaser. The company was criticised for the slow process, but part of the delay was with the government as an internal crown lands minute dated 29 May 1894 suggests that the work of issuing crown grants to the company was yet to begin.[20]

The poor demand for company land was affected by two other factors over which the company had no control. First, in 1891 Forrest's government lifted the embargo on the sale of crown land that adjoined the railway. The government sold its land at a fixed price per acre under generous terms of payment, and granted homestead blocks of 640 acres at no cost, provided they were occupied and actively farmed.[21] Even though the company had first choice

WEST AUSTRALIAN LAND COMPANY.

The West Australian Land Company, Limited, will not pay the interest on debentures due in July.

Figure 20: Notice of Insolvency, Western Australian Land Company, Daily Telegraph (Launceston, Tasmania), 30 June 1894, 4.

[19] Bird, *Round Pool to Woodanilling: A History of the Shire of Woodanilling, Western Australia*, 86.
[20] Crown Grants of Alienated Lands Resumed for Great Southern Railway, asking for. WA Land Company, State Records Office of Western Australia, AU WA S211-cons541 1891/1201.
[21] "Land Regulations" *Inquirer and Commercial News* (Perth, Western Australia) 1 January 1890, 5.

of the land, it could not compete with the government's offer to prospective land owners. Secondly, the company's difficulties were compounded by the gold rushes, which drew many workers to the goldfields of Coolgardie and Kalgoorlie, and which caused the demand for new land in the south-west to collapse. The lure of gold created a rush of immigrants with contradictory effects on local agriculture. The demand for food and fodder meant higher farm incomes, but the lure of gold drew many away from agriculture, reducing the demand for land. This was a problem for government, also. When introducing the Agricultural Bank Bill in September 1894, Forrest hoped it would alleviate the "counter attractions" to farming, which he stated were the reasons for the slow acceptance of the government's free grants of land for homesteads.[22]

Delays due to selection and survey, and delay in the sale process were critical factors in the company's failure to generate revenue from the sale of land. It gained little from the government's earlier embargo on the sale of crown land, and when the ban was lifted in 1891 could not compete even though it had selected better lands. Revenue did not support the company's repayment of debt. In June 1894, a meeting of shareholders declared that the company was insolvent and tasked the chairman with selling its assets. The Great Southern Railway and the unsold 2.8 million acres were up for sale. The telegraph spread the news rapidly around Australia. Articles appeared in British newspapers, later reprinted in Perth, roundly condemning Forrest's government for its competitive and obstructive policies.[23] Placing the company in receivership created uncertainty for the company's tenants and anxiety for employees.

How do we, then, understand the impact of land on the company's failure? The company directors appear to have misunderstood that the land was a means to an end, not an end in itself. When touting for investment in London, the idea of receiving twelve thousand acres of land for a mile of railway seemed a bargain. The reality turned out to be quite different. Areas marked on maps had to be surveyed and subdivided to claim title. The variation of the landscape precluded a fixed price, and the London-based directors set prices too high. Delays in the subdivision and sale of land led directly to the collapse of the company.

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[22] *Western Australia, Parliamentary Debates*, Legislative Assembly, 5 September 1894, 481 (Sir John Forrest).
[23] The W.A. Land Company, A Serious Situation (From *The Scotsman*, June 29) *Inquirer and Commercial News* (Perth, Western Australia) 17 August 1894, 10.

Self-rule and Forrest's opposition

There is a measure of irony in that the successful construction of the Great Southern Railway may have helped to convince the British Parliament that the colony was ready to manage its own affairs. Self-rule elevated Forrest to the role of premier, after which he implemented policies that put the government in competition with the company. Achievement of self-rule in 1890 introduced more than the right of government to raise loans and determine its own spending priorities; it also heralded significant change in the relationship between government and private enterprise. In Australian colonies, unlike England, railways were commonly built as public works. In his discussion on this period of the colony's government, de Garis credits Forrest's political acumen and policy of public works for everyone as a major contributor to stable government.[24] Two of Forrest's initiatives reduced the viability of the Great Southern Railway as a private company: the decision to build Fremantle harbour, which reduced Albany's importance as an international shipping port; and the extension of railways to Southern Cross and Bunbury, which established the government's rail network as the dominant of the colony. The extension from Bunbury, south-eastwards towards Bridgetown, was interpreted in some circles as the start of a government-owned rail link to Albany, which was expected to take custom away from the Great Southern Railway.[25]

From his exploration and experience as surveyor-general and commissioner of lands, Forrest brought to the position of premier a detailed knowledge of the country, belief in an agrarian society and firm opinions on how to achieve it. Unfortunately for the company, these did not include private railways or company-sponsored immigration schemes. Forrest's concern about the land-grant method was first evident in his review of Hordern's original proposal. Forrest and the then attorney-general, Hensman, had been outvoted in the Legislative Council and overruled by Governor Broome regarding conditions within the Great Southern contract. Forrest wished to add conditions to the immigration clauses, requiring the company to establish the

[24] De Garis, "Self-Government and the Evolution of Party Politics 1871-1911," 338-39.
[25] "More About West Australian Methods" *Truth* (London) 13 December 1894, 1396.

immigrants on farms, rather than simply guarantee their employment.[26] In his biography of Forrest, Crowley devotes a considerable section to the personal animosity that developed between Forrest and Broome without specifying any particular point of disagreement.[27] Newspapers from the time reveal that tensions over the proposed railway contributed to the fraught relationship.[28] The irony is that if the conditions had been more rigorous, Hordern may not have been able to raise the capital and the project would have failed at the initial stage. The ability to complete a significant engineering project such as the Beverley to Albany railway indicated the colony was ready to manage its affairs. A failed project would have been substantial evidence for those opposing the legislation and Forrest may not have become premier.

Forrest also made his position on private development clear at the opening of the railway in 1889, when he argued that governments, not private companies, were better agents for development.[29] In his pre-election speech in Bunbury, Forrest complained that the time it took for settlers to turn bush into a farm was a key obstacle to the agricultural development of the colony. He argued that the colony needed rapid and cheap means of communications, which should be funded by government borrowing. The works he proposed included railways to the south and east, improvements of Fremantle Harbour, an extension of the telegraph network, and land development schemes.[30] It was the latter that had the most impact on the West Australian Land Company. Forrest believed that the government should do all it could to promote agricultural development. He floated the idea of the government clearing a block of 20,000 acres, subdividing it, and then selling the land. As an alternative, he suggested a scheme whereby homestead blocks of 640 acres would be granted free to settlers on condition of occupancy and development.[31] While the idea of clearing land before sale did not eventuate, Forrest's scheme of homestead blocks, gifted to settlers under generous conditions, was popular. Financial support provided through

[26] Hensman made pointed "Told you so" comments to the Legislative Council when the Immigration conditions had to be suspended in 1887. *Western Australia, Parliamentary Debates*, Legislative Council, 29 June 1887, 48 (Alfred Hensman).
[27] Crowley, *Big John Forrest 1847-1918: a Founding Father of the Commonwealth of Australia*, 43-58.
[28] "Western Australia" *Adelaide Observer* (Adelaide, South Australia) 24 April 1886, 12.
[29] "The Great Southern Railway" *Western Mail* (Perth, Western Australia) 8 June 1889,10.
[30] Crowley, *Big John Forrest 1847-1918: a Founding Father of the Commonwealth of Australia*, 83.
[31] "Bunbury Electorate, Hon. John Forrest's Speech" *The Southern Times,* (Bunbury, Western Australia) 24 November 1890, 4.

an agricultural bank eased the difficulties of farmers in the scheme's initial years, but settlers who had purchased company land were not eligible for this assistance. With these policies, Forrest reaffirmed agriculture as the development tool for the colony, as Layman had identified, but also, as Tonts described, extended the government's role to include the promotion of a desired social order based on small mixed farms.[32]

Forrest implemented these policies along with a public works programme that saw a boom in railway construction and the start of Fremantle harbour. The latter did not endear him to the people of Albany, who saw their influence and prosperity wane as international shipping routes switched to Fremantle. Western Australia experienced a boom in immigration, but the new arrivals (and some locals) were going largely to the goldfields. It was not until alluvial gold ran out and opportunities on the goldfields dwindled to the equivalent of working wages, that interest in farming revived. Forrest's land policies finally broke the West Australian Land Company. The intriguing question is not that Forrest's government bought the assets of the company, but that it was willing to pay £1.1 million for them. Two factors forced Forrest into negotiating a price based on the value of the assets. The first was the appearance of a creditable competitor for the business and the second, a chorus of criticism in British financial circles of Forrest's role in the demise of the company.[33]

Potential Buyers

A company, as a working entity, may have a value that is greater than the sum of its parts, which can include assets, staff, relationships and business practice. Given the role of the railway in the community and the potential of its land, Forrest's government was the most obvious prospective buyer with the means and interest to purchase the entire company. At the time of its bankruptcy, however, the West Australian Land Company could be perceived as two separate, saleable parts: the operating railway, strategically located to transport goods and passengers arriving in Albany for the goldfields; and the land. An estate of nearly three million acres could prove attractive

[32] Tonts, "State Policy and the Yeoman Ideal: Agricultural development in Western Australia, 1890-1914."
[33] "Another West Australian Scandal" *Truth* (London) 29 November 1894, 1269. See also "More about West Australian methods" *Truth* (London) 13 December 1894, 1396.

to a consortium interested in land development or speculation. As the purchase of either the land or the railway would in itself require a wealthy buyer, Forrest's government was clearly the only prospective buyer with the sufficient means and interest to acquire the whole. A difficulty that was soon apparent in the government's acquisition of the company was that Forrest's policies were partly responsible for the failure of the business.

The company approached the retiring governor, Sir William Robinson, to act as an intermediary in its negotiations with the colonial government. On 30 April 1895, the governor telegrammed Forrest from London: "Would you entertain idea of taking over Southern line of Railway at reasonable price thus terminating questions in dispute between Company and Colonial Gov't".[34] After a further exchange between Robinson and Forrest, the premier declared in June that "so long as litigation pending between Gov't and Company as to construction contract Government Not prepared to consider question of purchasing",[35] and then, even more definitively, "Government decline to negotiate Southern Rly".[36] A cover sheet for this response indicates that on 27 August 1895, cabinet concurred with this decision. This telegram is brief and direct and would suggest that the government of Western Australia was not a potential buyer. The telegram that arrived the next day altered the situation.

> Millar received option for line of railway including all land rights and points in dispute This is favourable opportunity to settle whole question on advantageous terms Advise that you negotiate Robinson.[37]

The emergence of Millars as a possible buyer was significant. To Millars, the wealth of the company was the timber in the land to the west of Albany. Revenue from

[34] Telegram Robinson to Forrest, 30 April 1895, State Records Office of WA, *Great Southern Railway. Re Government purchasing, - Governor Robinson,* AU WA S675 cons527 1895/1073 Part of Correspondence Files.
[35] Telegram Forrest to Robinson, 19 June 1895, State Records Office of WA, *Great Southern Railway. Re Government purchasing, - Governor Robinson,* AU WA S675 cons527 1895/1073 Part of Correspondence Files.
[36] Telegram Forrest to Robinson, 29 August 1895, State Records Office of WA, *Great Southern Railway. Re Government purchasing, - Governor Robinson,* AU WA S675 cons527 1895/1073 Part of Correspondence Files.
[37] Telegram Robinson to Forrest, 30 August 1895, State Records Office of WA, *Great Southern Railway. Re Government purchasing, - Governor Robinson,* AU WA S675 cons527 1895/1073 Part of Correspondence Files.

timber and the railway would provide an immediate return on the investment while the land would provide a long term benefit. This would be the least favourable outcome from Forrest's perspective. The railway would still be owned by a private company, timber exports and the railway would promote Albany as a commercial rival to Perth, and there would be increasing pressure on Forrest to extend the agricultural bank loans to private company settlers. Along the railway, the company was the major employer and responsible for town administration, which meant the company had greater impact on daily life than the government. The issue of competition between the government and the company was a key issued raised by a delegation to the premier in April 1896.[38]

Forrest's reputation

While Forrest's agricultural settlement and public works policies were popular with Western Australians, they did not receive the same acclaim in London. Forrest's desire to improve agriculture, in a colony that still had to import food, was laudable and perhaps acceptable, if the West Australian Land Company was failing to do so, but it looked like unfair government competition to some. The most serious charge, though, was that Forrest refused to accept the authority of the Privy Council. In November 1894, the company's lawyers wrote to the premier, protesting the advertisement of crown land, contrary to the Privy Council decision of March 1894.[39] This prompted a critical article in *Truth* under the heading of "Another West Australian Scandal".[40] The article implied that Forrest's behaviour was a risk to British investors in Western Australia. This was followed by the article implying that Forrest was using British investment in the colony's railways to compete with a British company.[41] An editorial in the *West Australian* in January 1895 defended the government policy of

[38] "The Great Southern Railway. Suggested Purchase by the Government." *West Australian* (Perth) 18 April 1896, 6.
[39] Letter from Parker & Parker to the Commissioner of Crown Lands, 27 November 1894, State Records Office file AU WA S211-cons541 1893/1862v1.
[40] "Another West Australian Scandal", *Truth* (London) 29 November 1894, 1269.
[41] "More About West Australian Methods", *Truth* (London) 13 December 1894, 1396.

retrospectively defining reserves to negate the company's claim.[42] The legality of this practice would almost certainly be challenged by the Land Company.

The indication, in Robinson's telegram of 30 August 1895, that the Millar Brothers were interested in buying the railway and land may have softened Forrest's attitude to the company. In receiving a deputation representing settlers along the line, on 17 April 1896, Forrest implied that negotiations were possible with satisfactory outcomes for all. The deputation represented the opinion of twelve of the thirteen public meetings held at locations along the line, that the government should purchase the Great Southern Railway.[43] A key element was the consequence of the land reverting to the crown. Land Company tenants would become crown tenants and hence eligible to access financial support from the Agricultural bank. This deputation assured Forrest that the buy-back would be a popular policy.

To the public, the railway was the chief asset. The regular flow of passengers and goods from Albany, heading north to the goldfields, suggested a profitable operation. Speaking to the Legislative Assembly proposing the sale, Forrest quoted an estimated value of the railway as £600,000.[44] This valued the company's 2.8 million acres at £500,000, or approximately 3s 6d per acre—less than half the notional value of 8s per acre arrived at by Robinson and Fraser during their initial discussion of land-grant schemes.[45] Pushing Forrest towards paying a fair price would be the threat of a competitive bid from Millars. Forrest was also reacting to the damage to the colony's reputation in the London capital market where his competitive land policies were blamed for the demise of the West Australian Land Company.[46] To provide a fair return to the company shareholders was part of Forrest's justification of the purchase price.[47] The improved performance of the railway, as a result of goldfields traffic, assisted Forrest, as he was able to show that the increased revenue would finance the deal.

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[42] "Vigilans et Audax", *West Australian* (Perth, Western Australia) 8 January, 1895, 5.
[43] "The Great Southern Railway. Suggested purchase by the government. Deputation to the premier" *West Australian* (Perth Western Australia) 18 April 1896, 6.
[44] *Western Australia, Parliamentary Debates,* Legislative Assembly, 7 October 1896, 936 (Sir John Forrest).
[45] £880,000 for 2 million acres or 8s 8d per acre. See Correspondence on the Subject of The Construction of Railways on the Land Grant System, Short.
[46]Article taken from *The Scotsman* of June 29, 1894, "The W.A. Land Company" *Inquirer and Commercial News* (Perth, Western Australia) 17 August 1894, 10.
[47] *Western Australia, Parliamentary Debates*, Legislative Assembly, 7 October 1896, 936 (Sir John Forrest).

The government competed with the land company by offering land and financial support for settlers at prices that undercut the market. Although rich in assets, the company could not generate sufficient income to meet interest payments, and was forced to declare insolvency. Forrest's government was roundly criticised for failing to support the enterprise. Still, Forrest had been consistent in his view that railways and settlement were the business of governments, not private companies. As British capital was essential to enable Forrest to complete his public works program, by paying a price of £1,100,000 for the company's assets, he provided some return to the shareholders and refuted the criticisms.

Announcing the buy back

The announcement of the government's intention to purchase the assets of the West Australian Land Company was greeted with acclaim, with Katanning and Albany planning celebratory events. Forrest accompanied by a ministerial party travelled by special train in a triumphant procession which started at Beverley at five-thirty in the morning, onto lunch at Wagin, to dinner at Katanning. There were speeches at Broomehill at one-thirty in the morning and at Mt Barker for breakfast, before the main event in Albany. Inland the recurring theme of the local speakers was the need for relief from the land company's policies on rent arrears. Katanning had arranged a delegation to the Premier by all of the land company tenants "with respect to arrears of rents and extensions of time for payment".[48] A switch to the more favourable terms that applied to government settlers would be something to celebrate.

In Albany, the town that had benefited most from the construction of the railway, the announcement came as a relief from the uncertainty over the railway's future and the company's land claims. In his history of Albany, Garden's view was more extreme, writing that the citizens were celebrating because the citizens of Albany had "rid themselves of the company which had tried to ruin Albany".[49] However, the speeches at Albany do not reflect this attitude. The General Manager of the Land Company, J.A.

[48] "Katanning" *Western Mail* (Perth, Western Australia) 27 November 1896, 19.
[49] Garden, *Albany: a panorama of the Sound from 1827*, 228.

Wright, was received with cheers.[50] Forrest likened the purchase to the repayment of a mortgage on the family home. He spoke of the way the railway had helped the colony bridge the gap between past difficulty and present prosperity.[51] For the railway employees, uncertainty over future employment was eased, as all staff were transferred into the government system at their equivalent level.

Chapter summary

The originators of the land-grant scheme believed that a railway connecting Beverley to Albany would promote the agricultural development of the region. The railway was built but the hoped for development did not immediately follow. By 1897 the population of 250 in Forrest's report of 1882 had grown to 1,165.[52] While the colony's population had grown at the same rate, the thousands of new arrivals were mostly on the goldfields. Agriculture struggled to compete with the prospect of a lucky strike. In a climate of low demand the West Australian Land Company struggled to sell its land. The company was partially to blame, as a number of opportunities were ignored and attempts to manage land sales from London were ineffective. Self-rule brought Forrest to power in 1890, armed with land settlement policies that the company could not match. Unable to sell its land, or raise further finance, the company declared insolvency in June 1894. This failure appears to be the reason historians such as Tonts have assessed the scheme and the railway as a failure.[53] Yet Forest was willing to pay £1.1 million for the company's assets in 1897. The railway and its land holdings were too important to the colony for Forrest to permit them to pass into other hands.

Although the company that built the railway, struggled to sell its land, and was forced to declare itself insolvent, the value of its assets were such that when sold the company paid its creditors and provided a return to its investors. The West Australian Land Company may not have been a financial success, but it did not fail in the construction of its railway, and nor—eventually—did it fail its investors. While Roberts

[50] "Great Southern Railway. The taking over of the line." *Daily News* (Perth, Western Australia) 9 January 1897, 2.
[51] "The Party Arrive at Albany" *Western Mail* (Perth, Western Australia) 15 January 1897, 9.
[52] Figure calculated from "Population of Western Australia" *Western Mail* (Perth, Western Australia) 22 April 1898, 23.
[53] Tonts, "State Policy and the Yeoman Ideal: Agricultural development in Western Australia, 1890-1914."

labelled the railway “inexpedient”,[54] within twenty years of its completion the Beverley to Albany railway provided the main thread of a network of lines that spread to provide transport to farms, both east and west. Buying back the Great Southern Railway was a major investment in the colony’s future.

[54] Roberts, *History of Australian Land Settlement, 1788-1920*, 420.

CONCLUSION: THE RISE AND FALL OF THE GREAT SOUTHERN RAILWAY

The short life of the Great Southern Railway as a privately-owned business caused some historians to assume that it was a failure. They point to the economic collapse of its parent company, the West Australian Land Company, and imply the government rescued the railway for the sake of the settlers along the line.[1] It was this presumption of failure that led to historians such as Roberts to dismissing the railway as "inexpedient".[2] Blainey followed Roberts' lead, and dismissed the railway as one that connected Albany to "a cluster of redbrick houses far in the bush".[3] This negative opinion was echoed by Tonts writing in 2002, although he attributes the failure to "absentee investors" rather than poor conceptual planning.[4] Taking a more positive view, I argue that the Great Southern railway represents a considerable success as it solved Western Australia's most immediate transport problem and created the infrastructure that underpinned a major expansion of agriculture.

Government and the Business of Rail

The first aim of this research was to understand the engagement of government in the business of rail, to examine the international precedent upon which the Western Australian government drew, and to identify the objects of the colonial government in the Great Southern Railway project. Constrained by a small population and restrictions on public borrowing by the Secretary of State for the Colonies, the colonial government adopted a land-grant system in the early 1880s to encourage private

[1] "The Great Southern Railway. Suggested Purchase by the Government." *West Australian* (Perth) 18 April 1896, 6.
[2] Roberts, *History of Australian Land Settlement, 1788-1920*, 420.
[3] Blainey, *The Tyranny of Distance: How Distance Shaped Australia's history*, 159.
[4] Tonts, "State Policy and the Yeoman Ideal: Agricultural development in Western Australia, 1890-1914," 8.

investment in railways. Similar schemes in the United States and Canada had been successful, yet the absence of any cash incentive in the Western Australian scheme created a high-risk business model that would normally struggle to attract investors. The system had many similarities to the conditions governing the initial settlement of the Swan River Colony as once outlined by Statham, especially the way that "the need for money capital was overlooked".[5] This did not deter Anthony Hordern, whose grandiose visions of railways and settlement schemes were given substance by his personal wealth. Hordern was awarded the contract to construct the railway in 1883. Governor Broome signed the contract against the wishes of his surveyor-general, John Forrest, who sought more stringent conditions, especially with respect to the immigration and settlement clauses. My research has identified that the government's principal objectives in the project were the construction of a railway to link Albany to the capital, improved transportation of people, mail and agricultural goods, and an expansion of agricultural activity in the colony's south-west region.

Building the Great Southern Railway

The second aim of my research was to examine the establishment of the West Australian Land Company and the rollout and operations of the Great Southern Railway, not only to consider its impact on agricultural development of the south-west, but also to ensure that construction difficulties did not cause the company's failure. Although it took nearly two years, Hordern's wealth and contacts attracted sufficient investment in the West Australian Land Company to commence construction of the railway in 1886. In the absence of any serious geographical obstacles, construction proceeded efficiently with the railway meeting the government standards on its opening in 1889. This achieved the government's principal objective of a rail connection between Perth and Albany. The colony received added impetus from the increased access to agricultural land supported by the nucleus of new towns. The railway operated efficiently and effectively, generating revenue in excess of operating costs in the first year of operation.[6]

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[5] Statham, "Swan River Colony 1829-1850," 182.
[6] "Money and Trade," *Bristol Mercury* (Bristol,England) 1891, 7.

The buy-back of the Great Southern Railway

Given that the construction of the railway was so successful, the third aim of this research was to determine how the company, itself, failed, and the grounds for which Forrest's government acquired the business in 1897. The railway was completed and commenced operations in 1889, which coincided with the declaration of the Yilgarn and Pilbara goldfields and the passing of legislation in Britain that granted self-government to the colony. Both of these events led eventually to the financial decline of the company.

The expenditure on construction of the railway provided an economic boost to the colony in the late 1880s, but at the completion of the project the company found itself with large debt, approximately three million acres of land, and insufficient income to service its loans. To survive, it had to sell its land. The strategy the company directors adopted was to maximise price through micro-control of the sale process. This strategy failed to provide sufficient income, and additional unexpected costs to replace faulty sleepers caused the company to default on interest payments. While the railway operated successfully and quickly generated a profit on its services, the company could not compete sufficiently with the sale of crown land to sell its own land holdings and thereby complete its business model. Indeed, the competition from Forrest was fierce. While the company was in receivership and seeking a buyer for its assets, Forrest maintained his opposition to the business, even to the extent of sponsoring retrospective legislation contrary to a Privy Council decision that had been won in the company's favour. The appearance of a competitor for the company's assets caused a change of attitude, and with popular support from those farmers who would gain access to the Agricultural bank, the government's purchase was negotiated for £1.1 million. This amount represented the colony's biggest capital expenditure to that date—Fremantle harbour had previously held that record, with its construction price of £700,000. The sale enabled the company to pay its creditors and provide a return to its original investors. My research shows that while the company's failure to sell its land led to its economic collapse, Forrest's government valued the business sufficiently to pay a high price for its assets, particularly after a potential competitor for the business was introduced to the market.

Success of the land-grant scheme

In the context of the successful completion of the railway and the economic failure of the business, it was, finally, my principle objective to determine whether the land-grant scheme was a successful means to achieve the government's objectives for the expansion of rail in the colony. The government's expectations of the land-grant scheme can be identified in correspondence between the governor, Sir William Robinson, and the surveyor general, Malcolm Fraser, at the outset of the project. It was then proposed that for two million acres, the colony was to receive a railway between Beverley and Albany and the settlement of no less than 5000 persons in the colony.[7] Although the practice elsewhere in Australia was for governments to own and operate railways, the idea of granting large acreages of crown land to encourage a private company to build, own, and operate a railway was modelled on precedent in North America and consistent with the economic foundations of the Swan River Colony in 1829. And it worked: by the end of 1889, the colony was provided with a railway connection between Perth and the colony's main port in Albany. The colony had achieved its first goal by using land-grant incentives to encourage private company construction of the railway.

Furthermore, while the railway provided a quicker and safer passage for passengers and mail between Albany and Perth, it also helped establish agricultural communities of the south-west. Staff to operate and maintain the railway over its 240-mile length added to the region's population. These workers brought with them income from their wages which was not dependent on seasonal employment, nor was it affected by drought. In turn, these workers and their families provided a steady market that encouraged the establishment of small businesses, thereby adding to community facilities.

The railway provided a significant social benefit as it reduced the isolation imposed by distance. A visit to Perth no longer required a seven-day overland trek, and family and other social functions in towns along the line could be reached in hours not days. Broomehill's first agricultural show in November 1890, attracted an estimated

[7] Correspondence on the Subject of The Construction of Railways on the Land Grant System, Short.

one thousand attendees.[8] In Katanning, the Piesse brothers demonstrated their confidence in the future of the district by constructing a steam driven flour mill in 1891.[9] This was an important development as it provided a market for local farmers and reduced the demand for imported flour. The communities along the line became the focal point for government services such as post offices, police stations and schools. These improvements were not restricted to the company towns created by the land-grant contract but were common to all towns along the railway. In facilitating the construction of the railway, the land-grant system boosted the economic development of the colony.

Measuring the success of the land-grant scheme in achieving an increase in settlement is more problematical. The company introduced 1165 new migrants to the region, before the immigration clauses of the contract were amended.[10] The majority of these new migrants accepted employment with the company, though few appeared sufficiently resourced to become farmers. The positive contribution of the land-grant scheme to the expansion of the colony, came from the infrastructure the railway created throughout the region. The towns of Pingelly, Narrogin, Wagin, Katanning, and Broomehill which were created as part of the land-grant scheme and sustained by the railway, became centres for local development. That this did not immediately lead to an increase in farm settlement was not the fault of the land-grant system, but was a failure of the government's original contract and the added complication of new gold discoveries. Nonetheless, the railway provided the infrastructure to support future agricultural growth.

Forrest was a strong critic of the land-grant system as it operated in Western Australia, believing that railways and farm settlement were best carried out by government. This caused him to adopt a different approach to agricultural expansion that competed with the West Australian Land Company. Forrest's approach was to promote settlement by providing generous terms for the purchase of land and financial assistance through an agricultural bank. The company operating the land-grant

[8] "News From Albany" *The Daily News*, November 14, 1890.
[9] Ernie Lang, *Grist to the Mill: A History of Flour Milling in Western Australia* (Perth, Western Australia: Goodman Fielder Mills Ltd and Weston Milling, 1994).
[10] *Western Australia, Parliamentary Debates*, Legislative Council, 4 July 1887, 66 (Sir Malcolm Fraser).

scheme chose to recoup their expenses by selling their land. Their failure in this respect brought about the demise of the company.

Nonetheless, the architects of the land-grant scheme would have been well pleased with the results achieved. Within eight years, the colony's south-west, which had previously supported only 250 families, had towns dotted along a railway that linked it to the capital and two major ports. According to a report from the registrar-general at the end of 1897, the company towns of Katanning, Wagin, and Narrogin had populations greater than 150 persons, with the region totalling over 1200.[11] This infrastructure underpinned the subsequent expansion of agriculture until, shortly after federation, Western Australia was able to become a food exporter, a role it has increasingly played in world markets.

Whether measured over the short or the longer term, the Great Southern Railway cannot be judged a failure. Even prior to completion, it was meeting the colony's need for a faster mail connection between Perth and Albany. When finished, it provided the key piece of infrastructure around which the region developed. The government's decision to buy back the railway, for a record amount of £1.1 million, was taken to support a policy of government ownership of railways, not to save a failed project

[11] "Population of Western Australia" *Western Mail,* April 22, 1898.

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